MANUFACTURED HOUSING STUDY

BRITISH COLUMBIA

Prepared for the
Manufactured Homes Advisory Committee of British Columbia,
September 1992

Province of British Columbia
Ministry of Municipal Affairs, Recreation and Housing

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British Columbia

Prepared for

The Manufactured Homes Advisory Committee of British Columbia

by

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Executive Summary

Kennedy Consulting Inc. was commissioned by the Manufactured Homes Advisory Committee of British Columbia in December 1991 to undertake a study of manufactured housing in B.C. The purpose of the study was to promote a better understanding of manufactured housing as a component of the supply of housing, to encourage local governments to consider accommodating this form of housing and to provide guidelines for the planning, regulation and development of manufactured housing as a part of the overall housing supply.

The study was conducted through a review of the literature available on the subject, compilation of information from selected local governments in B.C., a review of federal and provincial policies and legislation affecting manufactured housing, and from information gathered about the production, distribution and use of manufactured housing in B.C. from the industry and other private sector stakeholders.

Some of the findings from the study are summarized as follows:

The Industry:

- The most common forms of manufactured housing in British Columbia are one and two unit dwellings which are completed or substantially completed in a factory and require minimum site preparation and assembly. They include what were formerly called "mobile" and "modular" homes and are built to Canadian Standards Association Z240 or A277 standards (the latter being the same as the B.C. Building Code).

- The advantages of building in an enclosed factory environment are reflected in a high standard of quality in the construction of manufactured homes.

- Designs range from small single and double section homes of approximately 900 - 1000 sq ft to multi-section dwellings of up to 2000 sq ft. New multi-section designs are compatible with convention site built housing.

- There is the potential for cost savings through the use of manufactured housing, particularly as a result of savings in time during construction in the factory and completion on site. Delivery time of a finished home is usually about 6 weeks (compared to 3 to 6 months for site built housing).

- In 1991, manufactured housing represented 6.3% of total single detached housing starts in the province.

- Most homes are still marketed through a dealership network for which a licence must be obtained under the Motor Dealer Act.

- A large percentage of the manufactured housing in B.C. is located on rented sites in "manufactured home parks" which vary widely across the province in terms of design and management standards.

- There is an increasing interest in the use of Indian Reserve land for the development of manufactured home parks and communities.

- Traditionally, in the manufactured housing industry in B.C., the home builders, transporters, retailers, developers and land and park owners have operated independently. Over the past few years, a more coordinated approach has been adopted for some new developments.

The Regulatory Environment:

- Manufactured housing is perceived by local governments as different from traditional residential dwellings and is restricted in many zoning by-laws to "mobile home parks" and rural areas. The appearance and design of the "single wide" homes is frequently cited as a deterrent to the more widespread acceptance of this form of housing.

- The site development standards set out in "Mobile Home Park By-laws" have contributed to the affordability of manufactured housing in rental parks.

- The application of the Residential Tenancy Act to manufactured home parks has led to unique issues for home owners who are also tenants on the land.

- There is a comprehensive record of manufactured housing in B.C. in the provincial Manufactured Home Registry. Unfortunately, the information is not accessible as record keeping has not been automated.

The Consumers:

- Largely because of its affordability - and despite some image problems - manufactured housing has been considered a viable home ownership option in B.C. for more than 20 years. In 1991, homes in B.C. ranged in price from $40,000 to $85,000 (plus the cost of transport, site preparation and site rental or land acquisition).

- Owners of manufactured homes are generally satisfied with the product; the issues raised by home owners are generally related to matters surrounding rental manufactured home parks.

- There are many examples, especially in the United States, of high-quality, well maintained manufactured home communities which are designed both as retirement communities and as affordable family housing.

Recommendations:

There is the potential for manufactured housing to play a significant role in the future of housing in the province. The following initiatives are recommended as actions which should be taken by the various stakeholders to help realize that potential:

- developing model communities of manufactured housing, with the industry offering complete "home and land" packages, to update perceptions of the quality and design of homes and developments and to help overcome the present scepticism on the part of local government, consumers and financial institutions about the use of manufactured housing

- establishing a technical review committee to address the concerns of park owners, home owners and local governments related to older manufactured home parks

- the industry joining with the B.C. branch of the Canadian Home Builders Association and the Urban Development Institute to develop long-term strategies to make more land available for housing

- reviewing provincial policies to allow flexibility in the transport along highways of homes with wider, higher roof designs

- producing small double-wide homes with prices comparable to those of single-wides

- offering a variety of tenure options including rental, medium and long term leases, equity participation, co-operatives, bare land strata and freehold

- developing better methods for the sharing of information between the industry and local government

- automating the Manufactured Home Registry to facilitate the sharing of information

- reforming the retail sales network for manufactured homes and creating new licensing arrangements for manufactured home agents

- amending the B.C. Building Code to incorporate the standards for manufactured housing and site preparation for manufactured homes

- amending municipal Official Community Plans and zoning by-laws to recognize the current standards of design and construction of manufactured homes

- ensuring that the Human Rights Act addresses the unique concerns of manufactured home owners who wish to live in rental communities

- designating one provincial ministry to take the lead-hand responsibility for the co-ordination of programs affecting manufactured housing

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The Manufactured Housing Study for British Columbia was commissioned by the Manufactured Homes Advisory Committee of British Columbia.

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The study was conducted by Kennedy Consulting Inc. of Victoria, B.C.

The time, information and advice of the members of the Steering Committee, and particularly the chairperson, are greatly appreciated. The Steering Committee members were as follows:

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Chapter 1 Introduction

1.1 Purpose and Scope of the Study

The purpose of the study of manufactured housing in British Columbia is to promote a better understanding of manufactured housing as a component of the supply of housing, to encourage local governments to consider accommodating this form of housing and to provide guidelines for the planning, regulation and development of manufactured housing as a vital component of the overall housing supply.

"Manufactured homes" are built in an enclosed factory environment with limited assembly on site. The manufactured housing industry includes component, panelized and "kit" homes as well as modular and mobile homes. However, from the points of view of affordability, choice, municipal regulation, and the contribution to the total housing industry, component and panelized production does not play a large role distinct from the traditional housing industry in British Columbia. Most site-built homes include some components which are manufactured in factories. Homes which are built on-site using factory-built components or systems are generally treated at the municipal level in the same manner as site-built homes.

Throughout the report, the term "manufactured housing" is used to refer to both "mobile" and "modular" housing. Since September 1990, all provincial legislation has been updated to use the term "manufactured housing", rather than "mobile homes" and major representative associations have also changed their names to reflect the newer terminology. A glossary of terms used in the industry is included in Appendix I.

The study has concentrated primarily on manufactured homes which are completed or substantially completed in a factory that is certified by the Canadian Standards Association.

The manufactured homes that are the subject of this study include one and two unit dwellings which are completely finished in the factory, require minimum site preparation and are simply connected to services on site (CSA Z240 Series and CSA Standard A277-M1981). The study also includes 2 or 3 module dwellings which are transported in sections and assembled on site. These modules may be complete when they leave the factory, or they may require additional on-site work and may be placed on a ground level foundation or a basement (CSA A277).

Approximately 30% of the manufactured homes bought in British Columbia in 1991 were built to CSA A277 standard which uses the same technical standards as the British Columbia Building Code. The remainder were built to CSA Z240 Series standard which was adapted from the National Building Code to accommodate the unique size and transportation constraints of mobile homes. The CSA Standards will be explained in Chapter 3.

The study identifies a broad range of issues affecting manufactured housing. This document provides current information about manufactured housing of interest to:

- local governments and First Nations who are being encouraged to provide affordable housing options in their communities
- the provincial government as the policy making body affecting housing and affordable supply
- developers looking for innovative approaches to developing scarce land resources
- consumers seeking cost efficient alternatives in the housing market
- the general public involved in the policy and decision-making processes at the community level

Since this study began, other initiatives have been announced by the Provincial government which will address different, but related, aspects of housing in the province. An amendment to the Municipal Act will come into force in September which will require local governments to include housing policies in their community plans; the Provincial Commission on Housing Options is specifically examining market and non-market rental housing and home ownership for first-time buyers; and a government review of manufactured homes' laws in British Columbia is being undertaken by Rick Kasper, MLA, Malahat-Juan de Fuca, on behalf of the Minister of Labour and Consumer Services to examine the legal rights of manufactured home and park owners.

1.2 Principles

Local and provincial governments have a responsibility to strive to ensure that an adequate supply of affordable housing choices is available to potential home buyers. "By providing practical alternatives that help more people to own their own homes, this industry is poised to make a significant contribution to the housing sector. Manufactured housing can be an affordable option."[1]

1.3 Background

Manufactured housing has been part of the housing landscape for a number of years in British Columbia. There are issues surrounding this form of housing which are unique. In recognition of the need to address these issues, a joint government/industry/consumer committee, the Manufactured Homes Advisory Committee was reestablished and refocused in 1989 with a mandate to review matters related to manufactured housing. The Committee was made up of representatives of various affected government ministries, the manufactured housing industry, home owners and manufactured home park owners. The membership of the Advisory Committee is set out in Appendix II.

In 1989, a task force was also appointed by the Minister of Labour and Consumer Services "to examine issues related to mobile homes (or manufactured homes)."

One of the conclusions reached by the Mobile Home Task Force in their report of April 1990 was that:

" The public needs to be educated about the value of manufactured home living as a viable and attractive residential option; and municipalities should be encouraged to allow for further manufactured home developments."[2]

However, the proportion of total housing starts represented by manufactured housing has remained stagnant for a number of years. The Manufactured Homes Advisory Committee members agreed that there is a shortage of suitable sites for manufactured homes and that there is municipal resistance to proposals which would allow increased use of manufactured housing. There seems to be a poor understanding of manufactured housing as one of the options available to meet the range of housing needs. In the minds of the public, manufactured housing is perceived as a less desirable low cost form of accommodation which exists on the outskirts of town and has evolved from trailer parks or temporary housing sites.

In order to address these concerns, the Advisory Committee decided that a study be jointly funded by Committee members to identify the opportunities and limitations of manufactured housing. In December, 1991, the Terms of Reference for the study were developed by the Manufactured Homes Advisory Committee and Kennedy Consulting Inc. of Victoria was engaged to undertake the project.

1.4 Study Objectives

The objectives of the study were:

1. To identify the key issues surrounding manufactured housing in British Columbia in 1992, and

2. To develop guidelines which will assist municipalities, the provincial government and the industry in developing strategies to take full advantage of the opportunities for manufactured housing in the future.

1.5 Study Approach

The Manufactured Homes Advisory Committee appointed a number of representatives to act as Steering Committee for the project. The Steering Committee met approximately once a month during the course of the study and provided the consultant with information and guidance regarding the scope, methodology and content of the study.

The work plan for the project consisted of interrelated components. These components included a review of the literature available on the subject, compilation of information from selected municipalities in British Columbia, a review of federal and provincial interests affecting manufactured housing, as well as input from the manufactured housing industry, and other private sector stakeholders.

Much of the North American literature concentrates on the traditional use of manufactured housing in a park environment (rental, cooperative, strata and freehold) and focuses on design opportunities and limitations related to "mobile home parks".

The broader perspective of manufactured housing as an industry and as an alternative method of constructing housing was addressed at the national level by studies done in the mid 1980's by the Canada Mortgage and Housing Corporation (CMHC). Much of this information is still valid, although the recommendations must be viewed in the context of the 1990's in British Columbia. Other literature included reports also sponsored by CMHC which examined specific questions of construction costs in Quebec and Ontario. A current study in Ontario is focused on the competitiveness of the prefabricated building industry in an international environment.

Other literature which was reviewed included reports related to the issue of "affordable housing". Many of the concerns expressed by the housing industry, such as the cost of land and municipal regulatory reform, also affect manufactured housing.

Concurrent with the review of the literature, public and private stakeholders were contacted to identify the issues and to examine perspectives on the advantages, opportunities and limitations of manufactured housing as part of the total housing stock.

The steering committee identified 50 municipalities which would represent both long standing and recent experience, restrictive approaches, or innovative responses to the use of manufactured housing. These municipalities were either contacted directly by Kennedy Consulting through staff interviews and site visits, or surveyed through the use of a questionnaire. A selection of Official Community Plans, Land Use By-laws and Manufactured Home Park By-laws was also reviewed. A copy of the questionnaire is included as Appendix III.

Personal interviews were conducted by the consultant with provincial and federal government staff representing the ministries, agencies and departments which directly impact on manufactured housing.

Private sector interests included the manufacturers, new home dealers, developers, park owners, home owners, and a number of peripheral interest groups such as lending institutions and the traditional real estate industry. Information was obtained about the industry itself through interviews on-site at factories, dealerships, parks and developments, as well as through a questionnaire which the Manufactured Housing Association distributed to all its new home dealer members. A copy of the questionnaire is included in Appendix IV. Site visits were made by the consultant to approximately 150 manufactured home parks in the province.

Input was also obtained by the consultant from such divergent areas as Quebec, Ontario, Alberta, Washington State, and Florida State (which has the highest concentration of parks per capita in North America).

1.6 Document Organization

The document is organized into three main parts. Chapter 2 describes the setting for the study, and includes a discussion of housing in British Columbia.

Chapters 3 to 6 include the findings and key issues which have been identified throughout the study as they affect the industry, local governments, the federal and provincial government, and the consumer.

Chapter 7 provides recommendations for public and private sector stakeholders which could lead to the better utilization of manufactured homes as a viable option in communities throughout British Columbia.

FOOTNOTES:

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[1] Blencoe, the Honourable Robin. Address to the Annual General meeting of the Manufactured Housing Association. April 1992.

[2] Province of British Columbia. Mobile Home Task Force Report. April 1990

Chapter 2 The Setting

2.1 Recent Trends in the Housing Industry

The housing industry supplies one of the basic necessities of life - a place to live. It is also a major employer in the province and it has a multiplier effect throughout the economy.

Activity in the housing industry is an indicator of both social and economic conditions. Trends are measured by tracking housing starts, housing sales and house prices.

2.1.1 Housing Starts

Over the past decade in British Columbia, construction of site-built housing has fluctuated from a low in the early 1980's to a peak in 1989. Since 1990, the number of housing starts has decreased each year.

A number of factors are cited as responsible for the decrease in housing starts, including higher costs of building and financing projects and limited land supply. Forecasts for 1992, however, still indicate an anticipated increase in starts in single detached housing of 17.3% over 1991.[1]

Figure 1 shows the trends in housing construction in British Columbia over the past 5 years and projected starts for 1992 and 1993. Since this chart is based on provincial figures, regional variations are not reflected. For example, some areas of the Okanagan have continued to grow since 1991 and housing starts have reflected that trend.

Figure 1

Housing Production in British Columbia, 1987-1993

British Columbia Housing Production

Year	Total Housing Starts (excl manu)	Annual Percent Change	Total Single Housing Starts (excl manu)	Annual Percent Change
1987	28,944	39.9	16,353	26.1
1988	30,487	5.3	17,761	8.6
1989	38,894	27.6	21,612	21.7
1990	36,720	-5.6	18,478	-14.5
1991	31,875	-13.2	18,335	-0.8
1992(f)	*40,500*	*27.1*	*21,500*	*17.3*
1993(f)	*44,100*	*8.9*	*22,500*	*4.7*

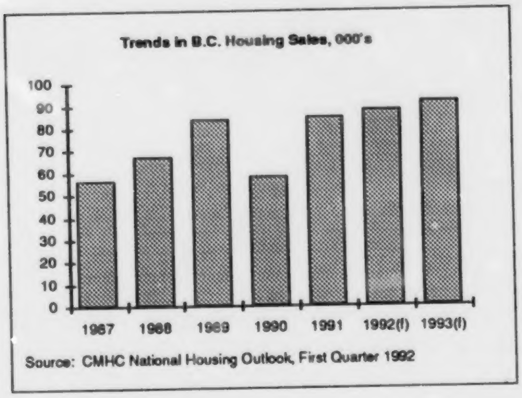
Sources: Housing Starts: CMHC National Housing Outlook, First Quarter, 1992

2.1.2 Housing Sales

Measuring the number of housing sales in the province is also a means of monitoring activity in the housing industry. Housing sales activity includes all types of residential accommodation, both new and older homes. In British Columbia, housing sales were strong in 1989, but have fluctuated considerably ever since. At the beginning of 1992, favorable mortgage rates and easing house prices helped to strengthen the housing market. This trend was also the result of government incentives such as the 95% financing for first-time buyers and the tax-free withdrawal of RRSP funds for home purchase.

Figure 2

Thousands of housing sales in B.C. annually since 1987



Source: CMHC National Housing Outlook, First Quarter 1992

Housing demand has been strongest in 1992 in the lower to mid-price range with the condominium market receiving much of the focus.

2.2.3 Housing Affordability

The choice of type and tenure of residential accommodation is governed by many factors, including lifestyle, affordability, occupation, and age. Home ownership is one of those choices and is expected to continue to be a fundamental desire of many residents of British Columbia.

One of the methods of measuring access to home ownership is the indicator of affordability developed by the Canada Mortgage and Housing Corporation. The indicator provides an assessment, by market, of home ownership affordability of potential first-time buyers. CMHC looks to existing renter households as potential first time buyers. The calculation assumes a minimum down payment of 10% with no more than 32% of income to service a mortgage, taxes and heating costs.

CMHC has calculated the percentage of renter households which can afford to buy a home in large urban centres (Census Metropolitan Areas) across Canada. Although the percentage of the rental pool which could afford to buy has increased over the past two years as interest rates have fallen, Victoria and Vancouver have consistently appeared as the least affordable cities in Canada. Despite improvements in the total number of homes available to potential home buyers in British Columbia, the choice of house types is still limited to multiple units because of higher prices for single detached housing. Victoria is the only centre where "mobile" homes are identified as a housing type which is prevelant for non-family households who are presently renting. In 1992, "Vancouver is expected to become the number one housing market in Canada, leading all markets in prices and sales of existing homes, with only Toronto expected to have a higher level of starts."[2]

Figure 3

Housing affordability in Victoria and Vancouver in 1991

Housing Affordability Indicators

	Victoria Family / Non-family	Vancouver Family / Non-family
Average Income 1991	$43,765 / $35,109	$56,707 / $47,236
Maximum Affordable House	$131,777 / $105,714	$170,749 /$142,228
Supply Available	10.6% / 6.1%	26.5% / 16.0%
Most Prevelant House Types	Apt Condo/ Mobile, Older Apt Condo	Older Bung/ New Apt Condo New Townhse
Average Starter House Price	$134,110	$143,930
Monthly Mortgage Cost	$1,065	$1,143
Annual Taxes	$2,013	$1,962
Annual Heating	$963	$449
Monthly Total Carrying Cost	$1,313	$1,344
Income Required to Carry Mortgage	$49,250	$50,410

Source: Canada Mortgage and Housing Corporation, Jan and April 1992

In order to determine current housing affordability within each community in British Columbia, a study would have to be conducted at the local level comparing such factors as income levels, house prices, mortgage rates, taxes and other home maintenance costs. Such data is not within the scope of this document. However, in order to obtain an indication of the relative affordability of home ownership, the prices of typical homes in various centres in British Columbia as reported by Royal Lepage were reviewed. The average prices in the spring of 1992 in three different parts of the province of a detached bungalow and a standard condominium apartment are compared to the average price of a new multi-section and single section manufactured home at the end of the chapter in *Figure 6*.

2.2 Costs of Housing

There are, of course, many factors which contribute to the price of housing. Many studies have been done over the past few years which discuss the factors which contribute to housing costs. Many recommendations have been put forward which suggest methods of reducing these costs.

One of the costs which is common to all forms of residential development - single detached dwellings, semi-detached, multi-unit condominiums, rental apartments, townhouses or developments using manufactured housing - is the cost of land.

The British Columbia Housing Management Commission has concluded that the most important factor in the current housing equation is the price of land and the shortage of land zoned for residential structures.

Land costs are the result of a complex combination of many factors. These include the relative location of the property, the relative supply of developable land, and the designation of the land in an official community plan or land use by-law, plus a variety of physical attributes.

Other costs which contribute to the cost of housing are the costs associated with the land development process and the costs of constructing the building itself.

The impact of the costs of the land development process and the resulting impact on the cost of land were recognized by the Federation of Canadian Municipalities, the Canadian Home Builders' Association, the Canadian Housing and Renewal Association and the Canada Mortgage and Housing Corporation when they jointly established the Affordability and Choice Today (A.C.T.) Program. The purpose of the program is "to stimulate regulatory reform action in residential construction", and its objective is "to promote housing choice, affordability, quality and innovation."

The executive summary in the Discussion Paper for A.C.T. states: "The areas targeted for regulatory reform action include: land development standards, the land development approval process, the building approval process, the inspection process, and residential renovation. In examining each area, a set of universal issues became apparent. These include the need for: increased familiarity with innovative housing and materials, cooperation between the building industry and government, and public consultation."[3] Since its beginning in 1989, the program has sponsored a number of initiatives aimed at improving access to affordable housing, including projects in Victoria, Vancouver, Richmond and Matsqui.

The cost of construction is a significant component in the cost of housing. The Real Estate Board of Greater Vancouver estimates that it costs $98,500 ($82 per sq ft) to build a 1,200 sq ft. (111 sq m) single detached house in 1992 in the Vancouver area. This includes the cost of the materials and labour for the basic structure and basement, contractor's overhead and profit, taxes on all goods and services, permit fees, and insurance during construction. Land costs are not included in that figure.

2.3 The Manufactured Home Option

The statistics quoted above do not include new *manufactured* housing. To date, such housing has not been included in the housing starts statistics which are collected and recorded by the Canada Mortgage and Housing Corporation. Sales information collected by The Canadian Real Estate Association may include resales of manufactured homes when they are listed as part of the Multiple Listing Service, but most new sales are excluded.

However, manufactured housing is part of the total stock of housing in British Columbia. As of the end of March, 1992, there were 68, 277 manufactured homes registered in the Manufactured Home Registry for the province.

Manufactured housing production operates within the same economic strata as other housing forms, has a land and labour component and is occupied as permanent housing.

Manufactured homes, by definition, are constructed in a location remote from their use. Therefore, the system of recording trends in the construction of manufactured homes in British Columbia is different from the methods used for site-built homes (which depend on municipally issued building permits). The comparable indicator for manufactured housing is the sale of CSA labels. Manufacturers purchase labels from the Canadian Standards Association for each home which is produced. One label is required per home (whether single, double or multi-sectional).

Since 1972, homes which are built in a factory have been certified by the Canadian Standards Association. Homes are built to either the technical standards CSA Z240 series (a standard which was adapted from the National Building Code to accommodate the size and transport requirements of mobile homes) or CSA A277 (which use the technical standards of the B.C. Building Code). The CSA standards are discussed in Section 3.

The following chart shows the trends in sales of CSA labels to British Columbia builders of manufactured homes.

Figure 4

Production of manufactured housing compared to annual single housing starts in B.C. since 1987

British Columbia Manufactured Housing Production

	Total Mobile and Modular (CSA Labels)*	Annual Percent Change	Manu. as % of all Hsg Starts	Manu as % of single Hsg Starts
1987	563		1.9	3.3
1988	649	15.3	2.1	3.5
1989	1,102	69.8	2.8	4.9
1990	1,319	19.7	3.5	6.7
1991	1,231	-6.7	3.7	6.3
1992(f)**	*1,450*	17.8	3.5	6.3
1993(f)**	*1,500*	3.4	3.3	6.3

* CSA Labels provided to B.C. manufacturers only

** Forecasts for Total Manu Homes is based on maintaining the 1991 % share of Total Single Housing Starts

Sources: Housing Starts: CMHC National Housing Outlook, First Quarter, 1992
Manu Housing Starts: Canadian Manufactured Housing Institute, Feb. 1992

Just as housing starts do not reflect actual new home sales due to varying absorption rates, the annual total number of labels do not reflect actual annual home sales because companies tend to buy labels in lots of 50 to 100.

Figure 5

Shipments of manufactured homes in B.C. since 1987

MHABC Member Shipments and Sales in B.C., 1989-1992

	Number of Homes Shipped	Annual % Change
1985	728	
1986	656	-9.9
1987	467	-28.8
1988	481	3.0
1989	801	66.5
1990	1267	58.2
1991	1279	0.9
1992*	1550	21.2

*Forecast based on year to date sales

Source: Manufactured Housing Association of B.C.

Also, because manufactured homes can be transported over distances of up to 4000 kilometres, purchases of manufactured homes in British Columbia include not only homes built in British Columbia, but also homes which are produced in neighbouring provinces and states. *Figure 5* shows homes shipped to purchasers in British Columbia by members of the Manufactured Housing Association of British Columbia (MHABC). The Association represented 90% of shipments of manufactured homes to British Columbia consumers in 1991.

2.4 The Tradition of "Mobile Homes" in B.C.

Manufactured housing has been considered a viable home ownership option in British Columbia for over 20 years. According to the 1975 inquiry on mobile homes in B.C., in 1974, there were an estimated 44,420 "mobile" homes in in the province; 26,700 were located in "mobile home parks", 17,720 were located outside of parks.[4]

By the mid 1970's, mobile homes had become a form of permanent accommodation in many parts of the province. By that time, fewer than 5 percent of mobile homes on central and southern Vancouver Island, in the Lower Mainland, and the Okanagan were ever moved from their initial location. In the north, the mobility of the homes was still an important feature. For example, 20% of the mobile homes in the Regional District of Kitimat-Stikine were moved to a new location in 1974.

In terms of home production, 6,803 mobile homes were built in British Columbia in 1974; this represented just over 19% of all housing starts in B.C. that year (29% of single detached homes). Most production in the early 1970's was of double wide homes. British Columbia had three large mobile home plants which manufactured more mobile homes in 1974 than were produced in any other province, with the exception of Alberta.

By 1976 however, the production of mobile homes in British Columbia had reduced to approximately 7% of total housing starts. During the recession period in the early 1980's, production was mostly of single-wides and was aimed at the low end of the market. By 1986, production had dropped to 2% of total housing starts in British Columbia.

By 1988, however, production had begun to rise and reached between 6% and 7% of total single housing starts by1990. In 1991, new manufactured home sales (when measured by CSA labels) equalled 6.3% of site built single detached housing starts in B.C.

One of the attractions of manufactured homes has always included affordability. Whether homes are placed on rental pads or freehold land, when purchased from a dealer, the price of the home is usually separate from the price of the land. New homes may be purchased in British Columbia from a dealer for between $40,000 and $85,000, with some new multi-unit homes selling for over $100,000. However, in order to compare the price of manufactured homes with site-built, one must then factor in the cost of renting or purchasing the land.

Figure 6 provides a graphic illustration of relative housing prices. The chart is designed to show the choices which might be available to a first-time buyer shopping for a home in a community in the Lower Mainland/Fraser Valley area, on Vancouver Island and in the Okanagan region. The choices of site built homes include a 1200 sq ft. detached bungalow on a 55 ft by 100 ft. lot and a standard 900 sq ft. condominium apartment. Added to these choices are a 940 sq ft single section and three1200 to1400 sq ft double section manufactured homes. The manufactured homes are priced based on their being placed on a rented site in a park development in the same part of the province as the site built homes.

The bungalow and condominium choices include both new and resale properties and prices are based on actual sales in the fall of 1991. The prices for manufactured homes are for new homes only which were sold in 1991. These choices will be discussed in more detail in the following sections.

FOOTNOTES:

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[1] CMHC National Housing Outlook, Second Quarter, 1992.

[2] CMHC Canadian Housing Markets, April 1992

[3] A.C.T. Discussion Paper on Regulations related to Housing Affordability, Choice, Quality and Innovation, prepared by Energy Pathways Inc, Dec. 1989, p.i

[4] Audain, M. Mobile Homes: Problems and Prospects, November 1975

Price and Size Comparison of new Manufactured Homes and Site Built Homes Sold in 1991

Figure 6

Choices available to a first-time buyer shopping for a home in 3 areas of B.C.

	Lower Mainland (excl Gr Van)	Vancouver Is.	Okanagan
Manufactured Homes			
Multi-Section			
Ave. Sales Price	$65,000	$71,000	$65,000
Price per sq ft	$52	$51	$54
Ave. sq footage	1250	1400	1200
Ave Monthly Rental	$310-$500	$210	$220
Single Section			
Ave. Sales Price	$48,000	$48,000	$45,000
Price per sq ft	$51	$51	$48
Ave. sq footage	940	940	940
Ave. Monthly Rental	$300	$200	$210
Site Built Homes			
Detached Bungalow			
Ave. Sales Price	$175,000	$129,000	$110,000
Land Price	$76,000	$63,000	$33,000
Price of structure	$99,000	$66,000	$77,000
Price per sq. ft	$83	$55	$64
Ave. sq footage	1200	1200	1200
Condo Apartment			
Ave Sales Price	$99,000	$85,000	$70,000
Price per sq ft	$110	$94	$78
Ave. Monthly Mait.	Data not available	N/A	N/A
Ave. sq. footage	900	900	900

Data based on a number of sources including:

- Royal LePage Survey of Canadian House Prices, Winter 1992
- Real Estate Board of Greater Vancouver Metrotrends, May 1992
- New Home Dealers Questionnaire
- Local realtors and builders

Chapter 3 The Manufactured Housing Industry

3.1 The Global Perspective

In 1985, CMHC sponsored a study done by Bairstow and Associates which compared the manufactured housing industries in the United States, Japan, Sweden and Canada. The study examined a number of factors, including types of technology employed in construction and the associated economics, methods of quality control and durability of the product, methods of financing, methods of delivery and assembly, project development processes, resource requirements and labour skills. It also reviewed the impact of government intervention and involvement, critical market size and the relationship between the manufactured housing industry and the on-site construction industry. Consensus in the United States and in Ontario hold that the information and conclusions in the report are still valid today.

One of the difficulties in comparing information with other countries and provinces, is the range of definitions which are used for "manufactured housing". However, given the varying definitions, it is worth noting that manufactured housing captures a large portion of the housing market in other countries studied.

In Japan, about 14% of the housing market was made up of manufactured housing in 1983. According to Bairstow,[1] "the most impressive aspects of the industry are vertical integration, design flexibility, highly skilled sales personnel trained in all aspects of housing, customer service and warranties, and technical and market research."

In Sweden, manufactured housing is now the most common method of building homes. As early as 1983, its market share had risen to over 90%. The majority of the firms use panelized systems (which produce two-dimensional units in the factory, then assemble them on site) and have an integrated approach to factory production, delivery, erection, finishing, and quality control. Display villages are set up by groups of manufacturers for marketing, and similar sales contracts, warranties and guarantees are used by all manufacturers. The Swedish industry takes advantage of large economies of scale due to its access to a large market. Exports account for nearly 50% of production.

3.2 The North American Industry

The manufactured housing industry in British Columbia, as most manufacturing industries in Canada, operates in a North American context. Therefore, in order to understand the present and attempt to predict the future of the industry, it is necessary to look briefly at the manufactured housing industry in the United States and in other parts of Canada.

In the United States, some statistics include panelized, modular and mobile homes. During the 1970's, the modular industry grew out of the mobile home industry and increased in importance and sophistication, particularly in the Northeastern states. Panelized housing grew more as an extension of the building component industry, although modular producers also branched into panel construction. Estimates of the percentage of housing starts represented by this broad definition of the manufactured housing industry were as high as 49.2% in 1984.[2]

The American Manufactured Housing Institute (MHI) includes in its statistics only homes which are built to conform to standards administered by the U.S. Department of Housing and Urban Development, commonly referred to as HUD-code homes. HUD-code homes may be single or multi-sections. The panelized and modular homes which are built to state and local codes are not included in the MHI numbers Therefore, the figures produced by the U. S. Manufactured Housing Institute are probably conservative estimates of the role of manufactured housing as part of the overall American manufactured housing industry.

In 1984, Bairstow estimated that 16% of housing starts in the U.S. were HUD-code manufactured homes. At that time, although the absolute number of HUD-code homes had been increasing since 1979, the HUD-code home was declining as a percentage of total manufactured home starts. Bairstow states that this occurred partly because of the problems of municipal opposition to mobile home parks and the lack of available sites for new parks . The MHI estimated the percentage of housing starts represented by the "manufactured" (HUD-code) housing industry was 14% in 1989, and remained at that level until 1991. [3]

Manufactured home shipments were up during the first quarter of 1992 and this upward trend is expected to continue. These "manufactured" homes were built by 85 companies in 234 factories.

One of the principle advantages of manufactured homes in the United States is their relative affordability. As traditional house prices have increased and the economy has slowed, the prices of manufactured homes have made them an attractive alternative. Much of the marketing is based on promoting manufactured housing as a low cost option for home ownership.

The American industry has also recognized the importance of product image by separating the marketing of "mobile" homes from "modular" homes (the latter being multi-section homes which are "stitched" together on site), even if the homes are produced by the same company.

Manufactured homes are also being used in large up-scale, fully serviced communities, particularly for empty nesters and retirees. Developments in the sunshine states of Florida, Arizona, and California include 18 hole golf courses, broad avenues and luxury facilities where the homes are virtually indistinguishable from site built homes in terms of design, quality and layout of the development.

The manufactured housing industry in Canada includes a number of product types, including mobile homes, modular, panelized, profile log and pre-cut home components. The difference in these products is largely based on the extent of factory assembly.

According to a recent study,[4] the manufactured housing industry in Ontario is dominated by the manufacture of "pre-cut packages" (formerly referred to as "pre-fabs") which are homes for which all framing components are shaped and identified, shipped to the site and then assembled using conventional site-built methods.

In an effort to enhance the image of manufactured housing, Ontario producers are placing the emphasis on the quality of factory construction by offering factory tours, extended warranties, high quality accessories as standard features, a wide variety of designs and opportunities for customizing the home.

Recent studies in Quebec and Ontario have examined the industry in terms of cost effectiveness. In Quebec, a selection of building systems was examined for economy (the unit construction cost) plus technical and qualitative criteria such as the scope of the system (process of construction), extent of industrialization (number of people employed versus robotics used) duration of work (number of units per day), architectural flexibility and quality of finishing (joiner work).

Traditional building methods were compared to the use of an assembly line process (whereby all the elements of the dwelling are entirely manufactured, assembled and finished in the factory as tridimensional modules) and to other types of component and panelized construction.

The Summary to the Study states that: "Based solely on the criterion of economy, modular homes win in the case of single-detached homes. . . . . . The superiority of manufactured systems is obvious based on the technical and qualitative criteria."[5]

3.3 The British Columbia Manufacturers

There are a number of companies in British Columbia taking advantage of a factory environment to produce building components (such as roof trusses) for both residential and industrial construction. There are also companies which produce profile log and pre-cut home components which are assembled on site. Some of these companies take advantage of Computer Aided Design systems and a controlled factory environment to produce a high quality product. Where capacity is high, cost savings are also realized by volume buying and repetitious production techniques. These homes are then assembled on site and are subject to local on-site inspection by local building officials.

In British Columbia, the principal participants in the manufactured housing industry are the companies which produce mobile and modular homes which are complete or substantially complete when they leave the factory. These factories use assembly line systems to produce tridimensional units. The homes are built in an enclosed factory environment where work schedules are not interrupted by adverse weather conditions and where a high standard of technical quality in construction can be maintained.. This aspect of "climate control" also means that the materials are not exposed to weather during the construction phase.

As of March 1992, eight British Columbia companies were listed by the Canadian Standards Association as certified for the construction of factory built homes. One of these is currently not in production. Homes for the B.C. market are also built in Alberta, Saskatchewan, and Washington state. The companies which supply the B.C. market are listed in Appendix V.

According to a survey of these companies conducted as part of this study:

- The oldest companies operating in B.C. at the present time are Moduline Industries (Canada) Ltd. in Pentiction (established in 1970) and Britco Structures Ltd., based in Surrey with the plant in Agassiz (established in 1977).

- In 1991, companies based in British Columbia employed approximately 800 people at peak season. With the exception of one new company which contracts for work with outside trades, B.C. companies directly employ skilled and semi-skilled labour in the factory. This means considerable saving in time required to complete each home as there is no need to coordinate a number of sub-contracts. Labour costs account for 15 to 20% of the total cost of construction of the home in the factory.

- Companies are located in the Lower Mainland, the Fraser Valley, and the Okanagan. In 1991, B.C. companies reported producing 1,131 homes. The size of the homes range from 720 sq ft to 1800 sq ft.

- All of the companies produce single storey detached dwellings made up of one, two or three sections. One company built semi-detached multi-unit homes in 1991.

- British Columbia companies are basically of two types: those which offer standard models and those which custom design the homes for a particular client or project. In the former, (which represent the largest number of homes produced) the number of standard floor plans ranges from 4 to 40, depending on the size of the company. Most homes are a base model, to which a number of options may be added. Options include choices of decorator features such as carpets and drapes, as well as optional upgrades of materials and fixtures. These companies rely on in-house designers and engineers and generally do not use the services of an architect.

- Other companies will custom build for individual customers. They will also work with a developer to design homes suitable for specific site and market conditions and which meet any specialized municipal building standards. These companies also use their own staff for design work, and some companies are introducing Computer Aided Design techniques.

The Manufactured Housing Association of British Columbia is an industry-sponsored organization which represents companies which were responsible for 86% of the new manufactured home sales in B.C. in 1991.

3.4 The Technical Standards

In the past, one of the criticisms of the manufactured housing industry was that the homes were built to a low standard and quality of construction. In fact, it is now generally recognized that factory-built housing, particularly the modular and closed panel varieties, is constructed to a higher standard of quality than typical site-built housing.

For site-built housing, the nationally-accepted technical standard for residential building construction is the National Building Code. The B.C. Building Code is based on the National Building Code, with adaptations which are unique to British Columbia related to such items as security, ventilation, stairs, and earthquakes.

The B.C. Building Code applies to all buildings in areas within the boundaries of a city, district, town or village and regional district where bylaws have been adopted under the provisions of section 789(2) (f) of the Municipal Act.

Under B.C. Reg. 192/87, Building Regulations of British Columbia, the British Columbia Building Code does not apply to . .

> "Factory built housing and components certified by Canadian Standards Association prior to placing on site under CSA A277-M1981 Procedures for Certification of Factory Built Houses, which conform with the requirements of the Code, or CAN-CSA Z240 MH Series-M86 Mobile Homes, but the exemption does not extend to on site preparations (foundations, basement mountings), interconnection of modules, connection to services and installation of appliances or other components."

The reason they are exempt from the Code is because manufactured housing already meets CSA Standards when they leave the factory.

For a municipality, this means that a home which has a CSA Certificate does not require inspection to determine compliance with standards of health and safety.

The technical standard for the CSA Z240 Series certification may be applied to single or multiple section homes. The technical standards for Z240 have been specifically designed to accommodate the unique design constraints of homes which are intended to be transported as complete units from the factory site to the home site. B.C. Building Code standards of health and safety apply, as do all the structural requirements for the roof, siding and flooring. The differences from the B.C. Building Code relate to such things as the bedroom sizes and window openings. In some aspects, the technical requirements of the B.C. Building Code are exceeded to allow for the additional stress placed on the structure by transportation. Homes built to CSA Z240 standards are competed in the factory.

The CSA Standard A277-M1981 is a Procedure for Certification of Factory Built Houses. The Certification Requirements are available from the Canadian Standards Association in Richmond, B.C. The Standards were developed originally in 1979 by a joint government-industry Technical Committee on Factory Built Houses. This technical committee still meets on a regular basis to review and improve the standards.

What is commonly referred to as the "CSA Standard A277 Home" is actually a home built to B.C. Building Code in a CSA-approved factory.

As of May 13, 1992, when section 54 of the Manufactured Home Act was brought into force, all new homes which are offered for sale, sold or moved in British Columbia must be CSA Certified.

Apart from the CSA Certification system, homes which are built in a factory environment have the capacity to be of a higher quality of construction than comparable site built homes due to the environmentally controlled working conditions and because of the manner in which the homes are constructed. For example, the homes are constructed "inside out" so that wiring, vapour barriers and insulation are installed from the outside before the exterior siding and roof structures are added. This provides a truer fit with subsequent control over heat loss and gain in the completed structure. The air tightness of manufactured homes translates into greater energy efficiency. The factory building process also produces up to 50% less construction waste than site building. This can be a significant factor in areas of high growth since it has been estimated that up to one-sixth of the total volume of waste in landfill sites results from residential building waste. As well, the time involved in the coordination of building trades is reduced by employing all labour directly in the factory which can also lead to enhanced quality control.

3.5 The Cost of Building

It was beyond the scope of this study to examine the detailed methods and costs of the construction of manufactured housing compared to other methods and costs of partially manufactured and site built homes. However, in the study conducted for CMHC in Quebec in 1991 which compared six different approaches to the construction of a standard single detached dwelling, the analysis concluded that:

"One system distinguishes itself in the single detached unit category and that is the factory built modular home. Not only does the latter represent the most economical solution, but it is also the best system as pertains to technical and qualitative criteria."[6]

The cost advantages of factory building homes are primarily a result of savings in time during construction both in the factory and for completion on site. These savings in time can result in reduced financing costs, increased production and shorter waiting periods for the consumer. Homes can be delivered to the customer within 6 weeks of the time the order is placed.

Whether or not the potential cost savings are realized and passed on to the consumer is dependant on a number of factors. As with any manufacturing process, there are considerable economies of scale to be realized with increased volumes. In the United States, as the market share of manufactured housing has increased, the price has dropped to the point where homes now cost the consumer about one-half the price of a site built home. According to the industry, volumes in British Columbia have not reached the point where they can be translated into significant cost savings. In site built homes, 45-55% of the cost of building the home is labour cost, whereas in the factory, 15- 20% of the cost is labour. The other major variables are soft costs, which in site built homes are approximately 25% and not part of the cost of the manufacture of a home in a factory. Balancing the cost savings, however, are the costs of maintaining the factory, the various costs associated with delivering the home to the buyer through the dealership network and the costs of site acquisition and development, either for an individual lot or for developing a manufactured home park.

Studies have consistently shown that there is the potential for considerable cost savings through the manufactured home building process. These conclusions have been reached in most jurisdictions which have a high percentage of manufactured homes, particularly Japan, Sweden and the United States.

3.6 The Design

3.6.1 The "Single-Wide" or Single Section Home

The manufactured homes which are built in B.C. generally fall into two categories: single wide and multi-section homes. Sixty-eight percent of the homes built in B.C. in 1991 were single wide homes, and the average base price to the consumer was $47,000. The appearance of the traditional single wide manufactured home has frequently been cited as a deterrent to its general acceptance. The homes have been and in many cases still are considered to be too different in appearance from conventional housing to be compatible with site-built homes in residential neighbourhoods or subdivisions.

As a result, the use of manufactured homes has been restricted to specialized developments (often mobile home parks) set aside from other residential development. The dimensions of the homes - the width to length ratio - are the most frequently cited objection.

The width, length and height of the units have been restricted because the homes are transported on the public highways. In the past, widths were restricted to 10 ft, then 12 ft. Today, the Commercial Transport Act requires that oversize permits be obtained for the transport of "mobile" homes and modular units. Guidelines established by the Motor Vehicle Branch restricts the width to 4.4 metres (14.45 ft.), including all projections such as door handles and mouldings. The maximum height limit is 4.3 metres (14.1 ft.).

In order to produce the typical unit of 940 sq ft., a 14 ft wide unit is 67 ft. long. This produces a width-length ratio of approximately 1:5 which presents a different appearance from the conventional bungalow and presents a repetitive pattern within a subdivision.

In order to utilize the maximum width allowed as livable floor space, roof eaves are kept to a minimum. This narrow eave, together with the low pitch roof (due to height restrictions), produces the characteristic roof profile which is also different from the conventional dwelling.

Therefore, not only are the homes different in external dimension from conventional dwellings, they are also very standardized in terms of the length, width, and height. Since most of the homes built by British Columbia manufacturers have been single-wide units constructed within these limitations, developments which use manufactured homes have a characteristic appearance of lack of variety and repetitiveness of design .

One of the ways in which manufacturers and home owners have attempted to improve the appearance of the product is through the use of additions and accessories, such as porches, sunrooms and carports. This approach has worked reasonably well in areas where standards of construction and design are controlled. In some areas, however, the use of a mixture of design, materials and quality of work has been detrimental to the overall appearance.

In some cases, alterations are made to the design of the unit itself after the home is placed on the site. Such things as roof pitch and eaves can be altered on site; however, such work does require more coordination with local building officials to ensure that on-site work complies with local building standards. The more on-site work done, the more time and cost is added to the product. More on-site work also reduces one of the key advantages of manufactured housing - the "factory complete" certified product.

Another approach being used by the industry to alleviate the appearance of "rows of trailers" is through the use of innovative layout and design of manufactured home parks and subdivisions. Lot layout and internal roads are designed so as to break up the appearance of long rows; single and double wide units are interspersed; and landscaping and additions are used to soften the appearance of the width to length ratio. A number of excellent suggestions are included in the Manufactured Housing Study published in Alberta in February 1990 which focuses on Land Use Planning and Design Guidelines and Guideline Implementation.[7]

In the past, manufactured housing has been characterized by the use of low cost external materials, small windows, and above ground siting with "skirting" materials around the bottom. Today, the most common external material used in homes is the conventional high quality vinyl siding used in many conventional homes and window designs are larger and more varied.

3.6.2 "Double-Wides" and Multi-Section Homes

Most of the design innovations which have been introduced in the manufactured housing industry in recent years have been in double and multi-section homes. Having the flexibility of on-site assembly, the dimensional restrictions of transportation can be alleviated not only through simply doubling the width, but also by being able to use more of the allowable width for such things as eaves and window projections, which can be completed in the factory and included in the CSA Certification. As a result, double and multi-sectional homes are closer in appearance to a conventional bungalow, with a minimum of on-site work and inspection.

There are innovative small double-wide units (of approximately 1080 sq ft.) in today's market which address the "long narrow" concerns by having a width to length ratio of 1:1.5 (26 ft x 40 ft) and some have a 5/12 residential roof pitch with eaves. At the same time, the homes have the advantages of the smaller size and affordable price of a single-wide. A model home of this type built by Glen River Industries Inc. displayed at the April 1992 Home Show in Abbotsford had a posted suggested retail price (including show home options), FOB[8] Abbotsford of $66,670 or $62 per sq ft.

Sophisticated multi-unit homes are also being manufactured which provide 1,700 to 1,800 sq ft of living space in designs which are totally compatible in appearance with site-built homes. One such home at the Abbotsford show, built by Nor-tec Design Group Ltd. posted a retail price in the range of $113,000 FOB Abbotsford, which is just over $64 per sq ft., including the show home options.

All prices are suggested retail and vary of course according to the location, options, site preparation, and customization required.

3.7 Transporting Homes from the Factory

None of the manufacturers who were surveyed for the study have their own transportation fleet for the shipping of homes from the factory to the consumer. Most of the homes are moved by the ten transportation companies listed as members of the Manufactured Housing Association of British Columbia.

All manufactured homes require "oversize permits" to be moved on provincial highways. The oversize permits are obtained from the Motor Vehicle Branch of the Commercial Transport Division. As noted above, the permits restrict the size of the units in terms of width, length and height, and adherence to the restrictions is strictly enforced.

Homes are also restricted to travelling within certain hours in certain parts of the province to avoid rush hours, hours of darkness and weekends. Most manufacturers consider 4000 kilometres to be the maximum distance which is economically feasible to transport homes. One B.C. manufacturer supplied homes as far as the Yukon in 1991.

In addition to the size and time restrictions for transport, homes being transported to Vancouver Island are also subject to the limitations of B.C. ferries.

The cost of transporting a double-section home generally includes loading and off-loading, transport permit fees, a pilot car and driver and the actual mileage. As an example, the cost of delivering a double-wide home to a local site from the factory would be approximately $1000; shipping a similar home to the interior would cost an estimated $4,500; to Vancouver Island from the Okanagan would cost about $3,000.

3.8 The Dealership Network

Due to the historical connection of the manufactured housing industry with trailers and mobile homes, the system of distribution which has developed and is still used by most manufacturers who sell their products in British Columbia is the dealership network. Manufactured home dealers retail the homes from a sales lot, complete the documentation necessary for transport and the Manufactured Home Registry, and arrange the transport of the home to the site. Most will also arrange for the site preparation, and assist in identifying a location. A few dealers are also involved in land development and park management.

In British Columbia, in order to sell manufactured homes to the public off a dealership lot, a person must be licensed under the Motor Dealer Act. One must either be licensed under the Motor Dealer Act or the Real Estate Act to sell homes which are located within a rental park. In 1991, there were 62 dealers licensed to sell manufactured homes in British Columbia. The requirements for obtaining a licence are set out in Chapter 5.2.4.

Real Estate agents may also list and sell manufactured homes which "have an interest in land". That interest may include a rental interest; therefore, real estate agents may also sell homes which are located on a lot which is rented (most often in a manufactured home park). Manufactured homes may also be sold by land owners or developers having an interest (freehold or leasehold) in the land.

Apart from the motor dealer licensing provisions, the historical link with the vehicle (rather than the real estate) industry is also evident in the way in which manufactured homes are marketed to the public. On average, dealers in B.C. have been in the business for over 15 years, have a dealership lot which is about 2 acres in size on which they can display an average of 13 homes. The lots are usually asphalt-covered and homes are displayed in rows similar to car or R.V. dealerships. Homes are rarely placed on foundations on the lots, although some are displayed with skirting.

Some dealerships are beginning to display the homes in a more residential setting. This approach has been successfully adopted in the United States and is being used in some areas of Alberta and on Vancouver Island. The use of in-ground foundations, landscaping, and cul-de-sac streetscapes give a more conventional and permanent residential appearance to the homes. Dealers and developers involved in new manufactured home developments use the park site itself for model homes and sales.

Since 1987, there has been a steady increase in the number of new homes sold each year by licensed dealers. Figures provided by the dealers who are members of the Manufactured Housing Association of B.C. indicate that 1,159 new homes were sold by them in 1991. Eighty percent of the new manufactured homes sold in B.C. that year were sold through the dealership network. The remainder were sold by developers who bought directly from the factory and sold the homes on site.

Most manufactured home dealers sell homes which are produced by a variety of manufacturers. Dealers sell homes which are produced in British Columbia, Alberta, Saskatchewan, and Washington state. Although some homes are kept in the dealership inventory and sold off the lot, most of the lot homes are kept for display purposes and new homes are built-to-order and shipped directly from the factory to the consumer. This allows for the customized options to be included at the factory and provides a wider range of interior layouts and accessories.

A purchaser may buy a home from a dealer to be placed on a freehold lot. Arrangements are usually made by the dealer for the site preparation and installation work. The alternative is to purchase a home for location in a rental park or bare land strata development.

Most manufactured homes are still located in rental parks. A minority of the dealers in B.C. own one or more manufactured home parks on which their homes may be located. If that is not the case, the dealer can usually identify the location of vacant spaces in rental parks, and may have arrangements with park owners for access to sites.

The types of arrangements which exist between dealers and park owners varies significantly. For example, some dealers will buy a home which has come up for sale (particularly old, single wide homes), remove it from the park and pay the rent on the pad as a means of "reserving" it for a future customer. The old home may be "scrapped" or it may be resold off the lot (often for use as a temporary or second dwelling in a rural location). Dealers may also have an "exclusive" arrangement with parks whereby only they have the right to place a new home on a vacant lot. In these cases, park owners will not agree to a new homeowner's application for tenancy unless the home was bought from the dealer with whom arrangements have been made. Dealers may also have joint venture or partnership arrangements with park owners.

3.9 Manufactured Home Developments

The "trailer parks" of the 1950's gave way to "Mobile Home Parks" in the 1970's which in turn are giving way to "Manufactured Home Communities" of the 1990's. Manufactured homes may be located in rental manufactured home parks, in co-operatives and bare land strata developments, in urban residential subdivisions, or on freehold lots in urban and rural areas.

Although some manufactured home dealers are also involved in park development, ownership or management, dealers generally concentrate on the home sales section of the industry. Manufactured home parks are more often developed and owned by individuals and companies involved in the park rental business.

A list of manufactured home parks was developed as part the study which was done in October 1991 for the Ministry of Social Services and Housing from a number of sources including information provided by the United Manufactured Home Owners Association of B.C. and the Manufactured Home Park Owners Association of B.C. In 1991, a total of 582 manufactured home parks were identified, plus 18 parks for which information was not available concerning the number of pads, and 7 parks which were cooperatives or where residents owned their pads. The 582 parks contain 26,998 of the total 41,613 homes (65%) of the estimated total number of homes located in manufactured home parks. Of the 582 parks, 28 (4.8%) were located on Native Indian Reserve Lands in Winfield, Kelowna, Westbank, Penticton, Victoria, North Vancouver and Kamloops.

According to the Manufactured Home Registry, there were 69,277 manufactured homes registered in British Columbia as of March 31, 1992.

Figure 7

Distribution of manufactured home parks in B.C.

Manufactured Home Parks and Average Number of Pads by B.C. Economic Region

Economic Region	No. of Parks	Percent	Average No. of Pads
Vancouver Island	129	22.2%	43
Lower Mainland	116	19.9%	60
Okanagan	100	17.2%	63
Cariboo	68	11.7%	40
Lillooet-Thompson	64	11.0%	38
Central Kootenay	61	10.5%	29
East Kootenay	22	3.8%	22
Peace River-Laird	15	2.6%	52
Skeena-Stikine	7	1.2%	49
Provincial Average	582	100.0%	47

Source: Manufactured Homes Survey, Malatest, Oct. 1991

3.9.1 Manufactured Home Parks

(i) Tenure:

Eighty percent of the manufactured homes in B.C. are located in rental manufactured home parks. The history of rental park development goes back to the days of the "trailer park". When the main feature, and attraction, of mobile homes was their mobility, rental parks were developed to provide pad space for mobile homes for relatively short periods of time on a short term lease. The homes have become more permanent and less mobile, but the tradition and many of the advantages of renting land have remained.

For a developer, some of the advantages of developing a park for rental use (as opposed to strata or subdivision development) include lower development and servicing costs (because of less onerous municipal by-law requirements) and the long-term investment and continuous cash flow of a rental property. In some municipalities, there are Development Cost Charges which apply to strata or subdivision development which are not applied to manufactured home parks. The pros and cons of rental compared to other types of tenure from the park developer's perspectives are set out at the end of this Chapter.

(ii) Location:

Most manufactured home parks were originally and still are located away from other residential areas. They are generally located on land which is zoned for "Mobile Home Parks" or on land which was the subject of Land Use Contracts in the 1970's. The municipal land use constraints and zoning requirements affecting manufactured home parks are discussed in Chapter 4.

The location of manufactured home parks is also a function of land values. Since manufactured home parks are a relatively low density type of urban development (as compared to townhouse and condominium apartment), they are located on land where the return from the investment will support the cost of the land in that use.

In some parts of the province, parks have been and still are being developed on Indian Reserve land. There are a variety of reasons for this use. In some cases, there has been a limited supply of developable land in the area, or the land within municipal boundaries is too costly to make manufactured home park use economically viable. In some cases, development has occurred on Indian Reserve land where the municipalities are opposed to new manufactured home park developments and the Reserve Band councils are supportive. Parks located on Indian Reserve land occupied by non-native tenants have unique leasehold and tax implications. Many of the opportunities and limitations of residential and other types of development on Indian Reserve land were discussed at a recent seminar jointly sponsored by the Urban Development Institute and the Aboriginal Economic Council. Some of the characteristics of developing on Indian Reserve land are discussed in Chapter 5.

(iii) Design and Management of Park Developments:

Many of the physical features of manufactured home parks have led to their poor image, particularly in the eyes of traditionally housed community residents and municipal councils.

Criticism of park design and maintenance has been based on experience or simply perceptions in some areas of poor and unimaginative layouts, crowded conditions, poor maintenance, low standards of roadways, little landscaping, or haphazard approaches to additions and storage areas.

Currently, manufactured home park developers are addressing many of the weaknesses in design of the older parks. Imaginative layouts, high quality road design (in some areas, the same as residential subdivision standards), and larger rental site sizes are helping to create park developments with more "street appeal". The study which was conducted in Alberta in 1990, sets out Land Use Planning And Design Guidelines aimed specifically at addressing the problems of manufactured home park design. The guidelines are intended to provide park planners and developers with ideas concerning location, land use, resident services, and development infrastructure. A variety of layouts accommodating single and double wide mixing as well as an emphasis on landscaping and parking forms a part of the study. Some extensions to existing parks and new parks in B.C. are incorporating features such as wider roads, terraced lots and natural landscaping and trees. However, the traditional formulas of maximum densities and minimum attention to aesthetics are still being used in some areas instead of a more comprehensive approach to innovative layout and design.

The quality and management of existing and new manufactured home park developments varies from poor to excellent. In that regard, manufactured home park developments have much in common with other types of rental residential uses.

Manufactured home parks are either managed by the park owner or by employed park managers. The quality and level of expertise of the park managers varies widely from park to park and across the province. Good park management is a valuable asset for a manufactured home park and for the home owners. It is recognized as an asset by lending institutions and is often reflected in the higher rent which can be charged for the rental pads.

Site visits were conducted by Kennedy Consulting to many parks throughout the province. Parks are visually easy to identify because of the dimensions of the homes, their close proximity to each other, and common roof lines. Some park owners obviously apply more time and effort on landscaping and amenities than others, but generally, park roadways and common areas are reasonably well maintained. Parks which have been well managed and maintained can be pleasant and attractive residential environments. Many home owners obviously take pride in the landscaping and care of individual pads, and individuals within the park generally speak favorably about the lifestyle.

(iv) Older Mobile Home Parks:

The future of older manufactured home parks is a question which will have to be addressed by home owners, park owners and municipalities.

Changes in land values which have occurred over the years in areas such as Surrey and White Rock have the potential to impact of this type of land use. In some areas, there is pressure to increase rents and/or to replace manufactured home parks by other types of residential or commercial development when the existing pad rentals no longer support the value of the land. Social issues arise in these circumstances when residents of parks who own their homes face large rent increases or are forced to find alternative sites. Alternative sites are often scarce, particularly in the same general area.

Many older homes in existing parks are 25 to 30 years old. In many cases they are 10 or 12 feet in width, and were not built to the high quality of homes built today. Some have been well maintained but some of the homes are reaching the end of their useful life. In this instance, the scarcity of locations for new homes and the efforts by park owners to upgrade the parks means that there is pressure to replace old homes when they are up for sale with newer, wider homes. In some parks, there is pressure to have older homes removed when they are sold. This has led to cases of arbitration under the Residential Tenancy Act to determine whether it is reasonable to refuse to enter into a tenancy agreement with a new owner of a older home. This creates problems for home owners wanting to sell as well as for the parks where the pads were designed for smaller units. In some cases, new municipal standards are applied to older developments. These problems are similar to those faced in the traditional housing industry when older homes are replaced or renovated where municipal and building code standards have changed significantly since the original home was erected.

One of the main advantages of older manufactured home parks, however, is the affordability of the resale homes. For example, single wide homes in existing parks in the White Rock and Surrey areas can be purchased for around $30,000.

3.9.2 Bare Land Strata Developments

(i) Tenure

"Bare land strata" refers to a type of development which falls under the Condominium Act. The lots in a bare land strata development are sold individually, and each purchaser becomes a member of the Strata Corporation. When a given number of lots have been sold, the common buildings, facilities, roadways and grounds are transferred to the Strata Corporation. Bare land strata land may be developed with conventional site built homes and buildings, manufactured homes, or a combination. Individual lots may be rented by the developer or subsequent lot owners.

The municipal standards for bare land strata developments vary. In some municipalities, the mobile home park by-law standards apply; in one area, a separate comprehensive development zone has been developed which sets out the standards for the community. Subdivision standards do not apply because the land is not subdivided and the roads and services do not become municipal property.

(ii) Quality and Management

In a new development, conditions can be set down by the developer as to the types of homes, the types of additions to the homes, the parking requirements, etc. All common property, roads, services, and amenities become the property of the Strata Corporation which is made up of the lot owners. On reaching maturity, the Strata Corporation is formed, the lot owners then elect a

Strata Council to manage the development. The duties of the Strata Council are set down in the Condominium Act. The Council may hire a property management company to handle the day-to-day running of the community, or the council may also contract directly with gardeners, maintenance staff, etc. Individual lot owners are responsible for monthly maintenance fees for care of the common property, and for the maintenance of their own strata lots. This can cause a wide variety of maintenance standards. Some strata corporations set standards for lot care, or provide the option (at a fee) of having individual lots included in the common property maintenance contract.

Bare land strata developments using manufactured homes have been operating in British Columbia for a number of years. One of the manufactured home developments which is most often cited as a model of a successful and attractive use of manufactured homes is the Summergate Village bare land strata development near Sidney on Vancouver Island which was started in 1972. Recent bare land strata developments which have used manufactured homes include Cherry Brook Park in White Rock, La Mesa in Surrey, and Pinewood Estates near Kelowna.

(iii) Location

Bare land strata developments are not as numerous as park developments; and designs, layouts and municipal regulations vary considerably. Therefore it is difficult to generalize about the locations. The parks referred to above are either in residential neighbourhoods, adjacent to rental parks, or in rural locations close to other manufactured home park developments. Even though, in some cases, development standards are the same as parks (in terms of density, road design, etc), the fact that the lots are individually owned, as in a subdivision, can increase public acceptance within residential areas of this type of manufactured home use.

3.9.3 Cooperatives

Manufactured home developments may be designed and developed from the outset as co-operatives, or they may be developed as rental parks and converted at a later date. In co-operative parks, home owners also own a share in a company which owns the park. Pads are assigned to share holders, and park management is the responsibility of the company. In co-operatives, home owners have a vested interest in the income generated by pad rentals and the long-term use of the property.

3.9.4 Subdivision and Private Lot Development

In subdivisions and on private lots, the land is sold to the home owner. According to the Malatest survey, there were approximately 16,234 manufactured homes on private lots in 1991.[9]

Restrictions affecting the use of manufactured homes in residential subdivisions and on private rural lots are constraints placed by municipal by-laws, covenants placed on new subdivisions by developers, and the constraints of economics.

The municipal policies and practices which restrict the use of manufactured homes will be discussed in Chapter 4.

Covenants placed by private developers are intended to maintain the homogeneity of a development and are often intended to control the quality and appearance of the homes. The purpose is usually to protect property values for home buyers. New multi-unit manufactured homes with high quality design and materials, and more conventional roof lines, can be indistinguishable from site-built homes, and have been shown to be totally compatible with site built homes.

In the United States, a trend by developers of conventional subdivisions is to use manufactured homes rather than site building. The developers work with the manufacturers to design homes which are compatible with the site and market conditions and, if necessary, with the local municipal building regulations. Although the per square foot cost of building may not be much less than site built homes, there is factory quality control, costs are known up front, homes are not begun until they are bought by the consumer, and delivery time of a finished home is usually about 6 weeks (considerably shorter than the conventional building of 3 to 6 months).

3.9.5 Garden Suites

Garden or "granny" suites are usually defined as a small, one bedroom, self-contained house designed to accommodate a one or two-person household placed on the property of a host family, is movable and is relocated after use. Manufactured homes are considered as suitable because they are affordable and mobile. Sample costs for the units, including transportation and set-up, connection of services, surveyor costs and appliances range from $64 to $80 per sq ft for a 600 sq ft unit.[10]

There has been considerable discussion about using manufactured homes as secondary dwellings or "granny suites". A few years ago, the Canadian Manufactured Housing Institute, together with provincial housing agencies and Canada Mortgage and Housing Corporation undertook a garden suite demonstration project. Ten garden suites were manufactured for the purpose of demonstration, one of which was produced by the former B.C. company Manco Home Systems of Agassiz. The purpose of the demonstration project was to provide Canadians with a chance to visit a garden suite to judge whether this form of accommodation would meet their needs and to provide both the industry and governments with an opportunity to assess how well this housing option would be accepted by Canadians.

Garden suites have received very wide support in principle. They have considerable social and economic benefits as accommodation for seniors and for persons with special needs requiring some form of support from the occupants of the principle dwelling (family or other care-givers). However, according to CMHC, they have also received strong municipal resistance based on service connections, parking constraints, objections from neighbours and concern about "property values." Homes for seniors have also received mixed reviews from the grown children involved who may not support the concept of an extended family in the back yard. Some municipalities in British Columbia allow secondary dwellings for persons who can prove the need for medical care.

3.10 Conclusions

The manufactured housing industry as a whole has both strengths and weaknesses.

The principle strengths of the industry are:

- Manufactured housing is widely accepted in other countries and there are strong international models of technology, design and innovation from which the B.C. industry can draw.

- High standards of construction are utilized by B.C. companies.

- There is a high level of management experience and expertise in the manufacturing sector of the industry.

- There are opportunities for considerable cost savings by factory produced housing which can translate into increased affordability for home owners.

- There is a growing demand for the smaller, simpler housing; manufactured housing meets many of these criteria.

- Rental parks offer a unique lifestyle and affordability choice for home owners. The challenge for the developer of new parks is to overcome negative public response by providing examples of high quality design and management.

- Other types of tenure, such as strata and cooperatives, offer many of the advantages of the manufactured home park, plus the advantages of land ownership, often at a lower price than freehold lots.

- Despite the limitations of design, the single-wide manufactured homes are still an attractive buy for the consumer if price is the determinant. The quality of construction and materials is good (they are built to both A240 and A277 CSA standards), the interior design and layout of the units is modern and attractive, the price is affordable and they are quickly available.

- New multi-section designs will be attractive options for developers, particularly for new subdivisions using small lot sizes and for infilling in residential areas.

- The importance of the quality of park design and maintenance cannot be overstated. In the best existing and new B.C. parks and in many U.S. projects, the attractiveness of the project is upheld by ongoing maintenance of all the property within the park, whether rental or strata. Entry-ways are secured and attractive and security is maintained. Parking of R.V. and boats are consigned to one area and prohibited on the individual lot. Exterior storage is not permitted and in many cases garages are a built-in feature of the unit. The "trailer park" image of many of these projects has long been extinguished and they are accepted by the consumer and the neighbourhood, as evidenced in the U.S. by the proliferation of these developments. Moreover, the homes can still be "affordable".

Countering these strengths, however, there are some weaknesses in the industry which impact on its effectiveness and opportunities for growth:

- The exterior design and dimensions of the single wides is often unattractive and contributes to the negative image of manufactured homes.

- The fact that most dealers operate as if they are part of the vehicle industry rather than the housing industry reflects on the industry as a whole. One of the criticisms of the Motor Dealer licensing is that the licence and its attendant requirements mar the image of manufactured homes by treating the homes like recreational vehicles, "trailers" or "motor homes". From the point of view of the image of the industry, however, the "car sales" appearance of dealers' lots, their location on the edge of town among auto and RV dealers, and the lack of involvement of dealers in the land development part of the industry does far more to place manufactured housing as "motor homes" in the minds of the consumer than the type of licence which is held by the dealer. They give the image of no long term commitment to the home buyer.

- The lack of vertical integration in the industry has led to many of its problems. Not only does the separation of manufacturer/dealer/transporter/park owner cause confusion to the consumer in purchasing and following up on warranties and deficiencies, it also creates an impression that the consumer is not getting "value for money". Although the product is often recognized as good quality, there is a perception of multiple profit-taking at each stage in the process. The lack of vertical integration also causes confusion to municipalities used to dealing with developers or builders who speak for the entire product - land and building. Not only do dealers in many instances not know the municipal process, they don't feel it is their business - despite the fact that every one of the homes they sell requires a piece of serviced land.

- Manufactured home rental parks with short term leases give rise to conflicting interests between landlord and tenant/home owner under the current legislation. As there is often public sympathy for tenants, particularly seniors, and because of the present provincial political climate, park owners may face more regulatory and legislative constraints in the future.

FOOTNOTES:

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[1] CMHC, Manufactured Housing, The Foreign Experience, prepared by Bairstow and Associates, 1985.

[2] CMHC. Opportunities for Manufactured Housing in Canada, prepared by Bairstow and Associates, 1985.

[3] Manufactured Housing Institute. 1991-1992 Quick Facts, May 1992.

[4] Clayton Research Assoc. Ltd., The Prefabricated Building Industry in Ontario, June 1992 (as yet unpublished)

[5] CMHC. Comparative Evaluation of Factory Built House Construction Methods Vis-a-Vis the Traditional Construction Method on Site, March 1991, p.1.

[6] Ibid, p. 28.

[7] Alberta Municipal Affairs. Manufactured Housing Study, Feb. 1990

[8] "Freight on Board", i.e. the cost of the home delivered to and set up at that location

[9] Ministry of Social Services and Housing, Manufactured Homes Survey, prepared by Malatest and Assoc., Oct 1991. (unpublished)

[10] CMHC News Release, Garden Suites Offered for Low-Income Seniors Housing, Aug. 1991.

Tenure Options for the Developer		
	PROS	**CONS**
Rental Park (Month to month or short term)	• Less stringent municipal development standards and higher densities for mobile home park zone than residential zones • Most municipalities do not have unit Development Cost Charges for rental pads • Initial land and development costs are lower due to municipal zoning • Low initial capital investment in the provision of basic services • "Holding" use of land for future development of a higher value • "Up and operating" quickly, once municipal zoning is in place	• Municipal and NIMBY objections to park development causing uncertainty and delays in zoning process • Under the Human Rights Act, cannot restrict to "Adults only", except for Seniors (over 55) • Residential Tenancy Act restrictions of termination of tenancies • Potential rent review • Long term carrying costs • Increases in home values realized by home owner
Rental Park (long term leases)	• Realizes long term increase in land value upon the sale of the land • Less turnover of tenants and homes • More marketable to consumers • Easier financing of homes • Security of tenure for home owners • Less landlord/tenant hassles	• Reduces ability to control tenancies (i.e. leases sold with the homes - difficult to refuse new pad tenant who has bought home) • Any increase in the value of the land when the home is sold benefits home owner • Difficult to predict increases in costs of utilities, taxes and services in long term rental schedules

Developer	PROS	CONS
Bare Land Strata	• May be marketed as "Adult only" • Lower development costs than residential where strata zoning standards are same as rental park • Higher densities than residential subdivision • May sell lots separately, or as a packages with the home • Equity return as lots are sold • No long term operation costs - common areas and facilities taken over by Strata Corp	• Some municipalities apply unit DCC's to strata lots which add to cost of lots • If higher development standards than rental, higher development costs • Market unfamiliar with the concept, slower market take-up •Slow return on equity - depends on sales • Marketing costs to sell units • No long term income
Co-op Park	• Similar advantages to bare land strata	• Complex to establish - shares sold in a cooperative rather than lots • Market unfamiliar with the concept, therefore difficult to price and slow to sell
Subdivision	• Similar to standard subdivision development in terms of return on investment • Advantages of no capital tied up in building homes, cost of homes borne by consumer • High quality of construction with little waste or vandalism on site	• Higher costs of development caused by residential zoning standards • Market unfamiliar with quality and concept of manufactured homes • Price asked by manufacturer may not be competitive with site built

Chapter 4 Manufactured Housing in the Community

Local governments in British Columbia today are faced with a complex range of economic and social issues. If population projections are fulfilled, by the year 2001, the population of British Columbia will increase by over 600,000 people. This will place pressure on local government for more housing. The anticipated demographic make-up of British Columbia will create the demand for different types of housing and services to cater particularly to the needs of seniors. The challenge for local governments is to plan for this growth with methods which are both socially and economically sound.

In British Columbia, decisions about the present and future use of land - one of the most important factors affecting the supply and cost of all housing - rest with the local governments under Part 29 of the Municipal Act.

The Municipal Act gives local governments the power to manage development. They exercise this power through a number of mechanisms, including land use planning by way of Official Community Plans and Land Use Designations and through Zoning and other regulatory by-laws.

Zoning bylaws are intended to:

> "regulate within zones
> (i) the use of land, buildings and structures,
> (ii) the density of the use of land. . . ,
> (iii) the siting, size and dimensions of (A) buildings and structures, and (B) uses that are permitted on the land", and
> "regulate the shape, dimensions and area . . . of all parcels of land created by subdivision"[1].

The manner with which local governments exercise these regulatory powers as they apply to manufactured homes varies widely. As part of this study, a questionnaire (reproduced in Appendix III) was sent to 50 selected local governments in order to determine some of the approaches being used. The local governments which responded are listed in Appendix VI.

The questionnaire was designed to determine the methods used by local governments to regulate the use of manufactured homes. Questions were asked about zoning by-laws: definitions, general provisions, and rules and regulations which apply to such housing. Information was also requested about the administration and implementation of zoning bylaws including the rezoning process and Development Cost Charges at the local level. Finally, general information was requested about municipal housing policies.

The goals of the survey were:

- to obtain an understanding of the land use framework in place for manufactured homes in various communities across the province
- to obtain information about innovative approaches to regulating manufactured homes which may have application in other communities

The following is a brief summary of the key findings:

1. The high response rate to the questionnaire (41 of 50) indicates a high level of interest in the issues surrounding manufactured housing at the local government staff level.

2. Within zoning by-laws, despite advice to the contrary in 1981 from the Ministry of Municipal Affairs, manufactured homes are still defined largely according to their location or method of construction, the system of ensuring compliance with building standards, or their mobility.

3. Manufactured homes are more restricted in terms of the zones in which they are permitted than site-built dwellings. They are generally restricted to areas of rental land tenure ("mobile home park" zones which have a separate set of development standards set out in "mobile home park by-laws") or to rural areas or for temporary use. Single-wide homes are more restricted than multi-section homes. Double wides and multi-section homes are permitted in a variety of residential zones in many areas.

4. Where there has been public opposition to new developments using manufactured homes, the opposition has been based on the appearance of the homes themselves and on the standard of design and management of existing manufactured home parks.

5. 29 of the 41 local governments indicated that they do have a general housing policy in place for the community.

6. Suggestions mainly addressed ways in which public opposition and "administrative hassles" could be reduced.

Most local governments have some form of restriction on the use of manufactured homes, particularly those which are commonly referred to as "single wides".

Some local governments are highly restrictive. They define manufactured housing quite broadly to include any type of dwelling which is built in a location other than that in which it is intended to be occupied. When that definition is combined with a general prohibition against their use in all areas other than where they are specifically permitted, the effect is a severe restriction on the ability to place manufactured homes in the community. In many cases, manufactured homes can only be used in rural areas and designated "Mobile Home Parks".

At the other extreme are a few local governments (such as the District of Saanich) which do not have a separate definition of manufactured housing in the zoning bylaw. Manufactured homes are permitted uses in areas where single residential dwellings are permitted, provided they meet the standards of the particular zone.

There are a number of ways in which local decisions can impact on the use of manufactured housing. Municipal processes (of zoning and rezoning), municipal standards as set out in zoning, building, and mobile home park bylaws, and municipal administration (how the policies and by-laws are implemented) all impact on the availability of land on which one can place a manufactured home.

4.1 Municipal Land Use Management

The manufactured housing industry is expanding and evolving. More homes are being produced and sold each year by the existing companies. Companies which have been involved in modular building for years are expanding into more residential construction. New companies are being established. The increase in the number of homes means that there is an increase in the demand for land on which they can be located, particularly rental land.

The municipal decisions which affect the availability of land for manufactured homes most directly are the decisions which are made concerning zoning by-laws.

CMHC stated in a report in 1986: "Development controls that inhibit the production of affordable housing fall into two basic categories. The most visible is zoning that does not permit certain types of affordable housing, such as mobile homes, accessory apartments, convertible units and high density forms of development. "[2]

In most municipalities, manufactured home parks are the only areas where two or more manufactured homes may be placed on rental land. Many existing manufactured home parks on southern Vancouver Island, in the Okanagan, and in parts of the Lower Mainland are fully occupied. In fact, manufactured home park dealers in these areas compete with each other for access to existing parks in order to be able to offer sites to prospective new home owners. This has led to some socially unacceptable situations where long time residents in older homes are being pressured to move or vacate to make room for new homes.

This shortage of sites has also led manufactured home dealers, park owners, and land developers to seek to expand existing parks or to create new residential developments in which manufactured homes may be used.

Unless there is existing land which is already zoned for manufactured home park use, a rezoning application must be made to the local municipality in order to expand existing or create new parks. The process is similar to a rezoning application for other types of residential use. Although some local governments do have some form of procedures manual or guide available for builders and developers setting out the steps involved in obtaining approvals for residential developments, many (23 of the 50 surveyed) do not.

In considering an application for any new residential development, local staff and councils take into account such factors as the Official Community Plan policies on growth, servicing requirements (methods of sewage disposal, water supply, garbage collection), impact on roads and transportation, schools, recreational facilities and hospitals, as well as aesthetics, adjacent land use conflicts, property values, and local opposition.

None of these considerations are unique to manufactured housing developments. However, the negative public perception of manufactured homes (whether justified or not) is often expressed in the form of "NIMBY" ("Not In My Back Yard") opposition at the public meetings.

In 1978, a Federal/Provincial Task Force examined the factors and processes which impact on the supply and price of serviced residential land, and their comments are still applicable today, particularly for manufactured home developments. In the report, the task force noted that "there is an unavoidable bias in the political system with no one directly representing the interests of prospective residents, particularity the low income households who are the most vulnerable to municipal regulations which are restrictive, or exclusionary, with respect to low cost housing forms."

CMHC stated in 1986 that: "Municipal governments generally perceive their primary responsibility as being to protect the interests of established residents. Most local governments have established minimum development standards which exceed basic health, safety and convenience needs. These unnecessarily high standards derive from a desire to ensure a high quality of development which will have a positive, rather than negative, effect on existing property values and ensure that the resultant property taxes will adequately cover the cost of providing services."[3]

In response to many of the problems associated with rezoning for manufactured homes, local governments in other jurisdictions, other provinces and within British Columbia are beginning to develop new approaches to land use management for manufactured homes.

Some approaches have been very confrontational, whereas some have been more persuasive in nature.

In the United States, nineteen state legislatures have established anti-discrimination standards that prohibit local governments from using their zoning powers to ban manufactured homes. The Oregon legislature has passed a law requiring all communities of more than 2,500 people to include manufactured housing in their land use programs. Taking a more persuasive approach, the City of Portland has voted to permit multi-section manufactured homes to be placed on any lot zoned for residential use, except in historical areas. Lake County, Oregon, acknowledged the increasing use of manufactured homes by producing a flyer available to the public which explains the process for mobile home placement on private property and explains the process for obtaining the necessary approvals . Some communities in the southern United States have been so supportive of manufactured housing that the majority of the population is living in this form of housing.

The American Planning Association produced a document in 1986 titled "Regulating Manufactured Housing". The report describes how a number of American cities regulate the use of manufactured housing. It contains some suggestions for standards which may be applied to location, density, lot size, width, coverage, landscaping and parking. However, local regulations often are so restrictive that, rather than recognizing the differences inherent in manufactured housing, manufactured housing must be built to virtually replicate site-built housing in order to be acceptable. If it is, manufactured housing may co-exist with site built housing in conventional subdivisions.

Closer to home, the Alberta Ministry of Municipal Affairs together with the Manufactured Housing Association of Alberta and Saskatchewan produced a Manufactured Housing Study in 1990. The author took the approach that many of the criticisms of manufactured home can be overcome with better park layouts and design. The study sets out land use planning issues and guidelines for rental, bare land strata and fee simple subdivision developments. The document is a particularly useful source of ideas on how to design parks and subdivisions to compensate for the problems of the long, narrow dimensions of "single wides".

In Alberta, the City of Calgary has a R-MH Residential Mobile Home District which is intended to provide for residential development in the form of manufactured home parks and manufactured home subdivisions. The City generally encourages manufactured home use and does not consider manufactured homes an "interim" or temporary use, but a supplier of starter homes. Manufactured home developments are generally integrated with other residential uses, some are rental and some are subdivision, and there is generally a mix of single and double wide units.

In British Columbia, a number of local governments are beginning to specifically include manufactured housing in their policies.

The District of Salmon Arm has just completed a new Official Community Plan and is developing a new zoning bylaw. The OCP includes a goal statement "to encourage a diverse range of housing styles", includes definitions of manufactured and modular housing and identifies modular housing and manufactured home parks as low density residential land uses. The zoning bylaw will implement these policies, and includes definitions which recognize A277 homes as dwelling units comparable to dwellings built to provincial Building Code Standards.

In the City of Williams Lake, fee simple lot subdivisions under its RS-2 zone allow for both conventional and manufactured housing. In the response to the questionnaire, City Council's attitude toward manufactured housing was described as "very good" and the homes were considered to be an affordable form of housing since "It appears we have a younger population who desire and can afford this type of housing. Some older people are also looking for this type of housing since it is easier to maintain".

4.2 Site Development Standards

The 1986 CMHC report referred to above goes on to say that "The second category (of developmental controls that inhibit the production of affordable housing) comprises site development and servicing standards that are often set at such high levels that the provision of affordable forms of housing is rendered totally impractical."[4]

Site development standards are set out in zoning and other regulatory by-laws and, for manufactured home parks, "mobile home park by-laws".

The use of manufactured homes is restricted in many residential zones by minimum width and minimum area standards set out in zoning by-laws. Forty percent of the surveyed local governments have a minimum width requirement in residential zones which has the effect of prohibiting the use of single wides. Zoning by-laws can legitimately regulate the siting, size and dimensions of buildings and structures. Municipalities often use these powers to manage the comparative size and dimensions of site built structures such as extremely large homes as well as factory built structures of all kinds.

The other development standards which apply to the use of manufactured homes are set out in Mobile Home Park by-laws. In many ways, the development standards for parks as set out in these by-laws have contributed to their being an affordable form of housing. The standards in most municipal by-laws are based on a "sample by-law" provided by the Ministry of Municipal Affairs in 1981 in an effort to encourage local governments at that time to accommodate manufactured home park developments. Although many by-laws need to be updated to recognize new standards of design and construction in manufactured homes, they provide local governments with an acceptable manner of accommodating this form of housing. Many local governments apply the by-law to bare land strata as well as rental park sites.

An example is By-law 377 of the Capital Regional District. The purpose of the by-law is "to regulate the establishment, extension, design and servicing of mobile home parks pursuant to Section 714(1) of the Municipal Act." The by-law sets out the process and requirements for making an application for approval, the general provisions which apply and design and layout standards.

The standards set out in mobile home park by-laws are generally more relaxed than those required in residential zones. The standards allow narrower (and therefore less expensive) road widths, elimination of sidewalks, reduced curb radii, reduced lot sizes, frontages, setbacks, and side yards and reduced minimum floor areas. These reductions are compatible with recommendations of some means by which local jurisdictions can modify their developmental standards to reduce costs and facilitate more affordable housing.

These by-law standards generally apply to rental parks only. Some local governments (such as Central Okanagan,Tumbler Ridge and Langford) are applying the same standards to bare land strata developments which translate into lower development, land and housing costs.

4.3 Building Standards

Restrictions which affect manufactured housing in particular are those related to building standards.

Contrary to the opinions expressed by some local and provincial building officials, all new homes sold or moved in British Columbia must be CSA Certified, and all A277 homes are built to or exceed the B.C. Building Code standards.

However, local governments may pass building regulations under Section 734 of the Municipal Act which are specific to the municipality and which exceed these standards. Manufactured housing is particularly vulnerable to problems of having to respond to numerous code variations in jurisdictions where their homes are sold.

Similarly, regulations which restrict the placing of homes because they were built before 1986 (the date of the latest version of the CSA Standard updates) are unduly onerous and not necessarily effective, particularly since the differences between the 1979 and 1986 standards do not significantly affect health and safety standards for people living in the home. Municipalities which take the more performance-related approach to ensuring health and safety require any previously occupied homes which are moved to be approved by a professional engineer as suitable for the intended use.

Some problems facing local government officials are the problems associated with site preparation and partial construction of the home on site.

Manufacturers have guidelines for site preparation work which are shipped with each home. Site preparation and connection to services is usually done by local contractors and there is no guarantee by the manufacturer that these guidelines will be followed by the site crews although the work is subject to local inspection. To address criticisms of inconsistent standards of site preparation, the Canadian Standards Association will be releasing industry-wide site preparation standards shortly which will be available to municipal building officials. Proposals are being made to the province to include these new CSA standards in the B.C. Building Code.

Partial construction occurs when modules are built in the factory, certified by CSA for the work which is completed in the factory, then moved to the site for completion. When the home itself requires extensive on-site work, the question of where the CSA inspection and certification stops and where municipal building inspection responsibilities begin is sometimes not very clear and this can be a problem in municipalities which are particularly concerned about legal liability. On-site work may include module assembly, adding or altering the roof, exterior siding or the addition of a garage or carport.

The best approach, whether it is for a single dwelling or a complete development, is for the buyer or developer to discuss the proposal with the local municipal officials before the home arrives on site . This saves considerable confusion and frustration on the part of all parties (including the home buyers) later on.

4.4 Administration

A major concern expressed by local governments in their responses to the questionnaire was the concern over "administrative hassles" related to existing or new manufactured homes.

Local governments are generally prepared to consider manufactured housing in their communities provided public opposition and administrative problems could be reduced.

Administrative concerns generally relate to the standards of existing parks, issues of servicing and taxation, standards of construction of old and new homes, the standards which apply to the site preparation and siting of homes, and liability for building deficiencies.

4.4.1 Standards of Manufactured Home Parks

Manufactured home "parks" can exist on private property or publicly owned land. Spaces are rented to individuals for the siting of manufactured homes, but the land remains in separate ownership, as do all roads, services, buildings and accessory uses such as parking areas.

Unless specific arrangements are made with the municipality for services, such things as garbage collection, street maintenance, snow removal, street light repairs and other work required for upkeep of the park are the responsibility of the park owner.

In some cases, this causes problems for the municipality if complaints are received from neighbouring land owners and the municipal officials are unable to respond to require the matter to be corrected. Often, the municipal reaction in the long term is to simply refuse this type of use to prevent "potential problems" which would be beyond their control. In other words, if one park is a mess or a nuisance, the chances of a new park being favorably received are reduced.

One municipality responded to the concern by saying, "If there were some way to control the aesthetics, which does not involve extensive legal costs and court action to enforce, our opinion of mobile homes may change."

In financial terms, the fact that internal maintenance of manufactured home parks is not a municipal responsibility is an advantage to local government since costs of maintaining internal roads, services, and landscaping must be borne by the park owner.

4.4.2 Taxation

It is beyond the scope of this study to analyze the tax implications to the municipality of manufactured home park developments versus other types of land use. A study was conducted in Alberta which may be of interest to those wishing to pursue this question.[5]

Individual home owners are responsible for their own property taxes. The "mobility" of homes in the past has caused some concern and was one of the driving forces behind the implementation of the Manufactured Home Act. Prior to a mobile home receiving a permit to be moved, the Registry must be satisfied that all municipal taxes have been paid.

In fact, as noted above, only about 2% of all manufactured homes are ever moved after they are placed on site in a park or on private land, except in the cases of the wholesale redevelopment of the land.

4.4.3 Standards of Construction

In many cases, enquiries at local government offices about manufactured homes are directed to local building inspectors who may or may not have had any experience with these homes. Interviews with local building and provincial officials revealed that many were not aware of the exemption of factory built housing from the B.C. Building Code and were not familiar with the CSA Standards.

Most municipal building matters relate to on-site construction. The method of applying for approval is fairly standard: the B.C. Building Code applies, an inspection process is in place, and procedures are laid down for dealing with exceptions, variations and violations of the rules.

Manufactured homes operate somewhat outside of this system. The standards of construction are controlled at the factory (which is likely to be located in a different municipality, and maybe even a different province or country) and the inspection body is the Canadian Standards Association.

In municipalities where manufactured homes are more common, municipal officials have familiarized themselves with the products and the construction methods in order to satisfy themselves that municipal standards are being met.

As noted in Chapter 3, the Canadian Standards Association standards have applied to manufactured housing since 1979. Homes are required to have a label placed outside the home indicating Certification. Homes before this date were inspected by various bodies having jurisdiction over acceptable standards of health and safety. If the municipality has concerns about the standards of older homes, a professional engineer's report may be a reasonable request to make of the owner prior to placing it on site.

4.5 Public Perceptions

Local Councils are constantly faced with the need to be sensitive to public opinion.

A comprehensive opinion poll to determine the public perception of manufactured housing was not within the mandate of this study. However, a study was undertaken in 1989 for the Mobile Home, Travel Trailer and Parks Association of Nova Scotia by Corporate Research Associates Inc. which does provide some insight into the general public reaction to manufactured housing.[6] The results of that survey are consistent with the public reactions encountered by Kennedy Consulting during the course of this study in B.C.

On the whole, the public does not have a particularly favorable overall opinion of manufactured housing. For those considering the purchase of a home, the style or design of the home, its location and its price are the most important factors to be considered. Generally, the public does recognize that manufactured housing has some advantages in comparison to traditional homes, are considered to be better than traditional homes in terms of the ease and cost of maintenance, and compare favourably in terms of the initial selling price, and energy efficiency.

The resale value, overall image, outside appearance, and construction quality are all perceived to be worse in comparison with that of a traditional home. In the Nova Scotia survey, construction quality was identified as the most serious issue. In British Columbia, the public perception of quality is less critical, partly because the frame construction methods which are used for manufactured housing are traditionally used for site-building as well in B.C. The Nova Scotia survey included existing manufactured home owners. Results from that group indicated that they were generally happy with their homes. The most important reasons residents gave for having purchased their home were the initial selling price, and the fact that they made good starter homes.

According to the responses to the municipal questionnaire in this study, public opposition was largely based on the public's perception of poor exterior design and materials used in manufactured housing, as well as problems of storage space, and the general appearance of mobile home parks. Comments included:

"Mobile Homes in parks tend to look dilapidated over the years and generally are surrounded with various storage piles and/or sheds."

"Those who live in conventional type housing do not like to see mobile homes near them because of the feeling that the mobile homes will detract from real estate values. As things are right now, many mobile homes look different from conventional homes. "

"In order to increase the level of acceptance of manufactured homes, it will be necessary to improve the exterior design by providing some visual relief from the long expanses of blank walls and extensive use of the same finishing material. In addition, the lack of storage space means that yards become cluttered with items normally stored in basements or garages."

4.6 Conclusions

Because of the powerful role local governments play in land use development, they are in a position to take advantage of the opportunities provided by manufactured housing by facilitating the provision of affordable housing choices in their communities.

- This pivitol role of local government in housing has been recognized by the provincial government by enacting Bill 20 on May 19, 1992. Section 1 of this Bill amends Section 945 of the Municipal Act by adding the following subsection:

"(2.1) A community plan must include housing policies of the local government respecting affordable housing, rental housing and special needs housing."

This section comes into force on September 30, 1992.

- Some local governments are already addressing the issues of housing through housing policies which are in place or presently being developed for council consideration. In some areas policies are being implemented through innovative approaches to land use bylaws which recognize the opportunities of manufactured housing.

- Because of the provincial policy of allowing municipal autonomy in land use matters, it is unlikely that local governments will be required by legislation to permit unrestricted use of manufactured housing. The best approach is to overcome local opposition through examples of well-constructed attractive homes and well-designed developments. The market demand exists for manufactured homes as an affordable housing choice. If public support exists, local governments are more likely to give favorable consideration to rezoning applications which will increase the land available for their use. If developers simply rely on the experience and perceptions of the public based on their impressions of existing "mobile home parks", this support is unlikely.

- The impact of local government decisions is particularly important in British Columbia since there is no appeal body in place where municipal decisions may be reviewed. With the exception of appeals to the courts on points of law, local government decisions are final and binding.

- Local governments, developers, and manufacturers all have a role to play in responding to public opposition to manufactured housing with up-dated information about the standard and quality of new manufactured homes and with improved approaches to park and development design.

- Essentially, manufactured housing has a problem of coordination; while in most cases the different participants in the industry do their individual part well, they do not often do it in concert. The advantages offered by the excellent level of quality control in the factory are often diminished and sometimes lost by the time the consumer moves into the home. Some dealers are "hit and miss" in their approach to the end use of the product they sell, particularly for private lots. Although most municipal officials recognize the quality and the affordability of the homes themselves, there is no assurance that the quality will be carried through to the lot or park which they are being asked to approve. The manufacturer who makes little or no attempt at ensuring that his product is placed in a quality setting loses in terms of consumer and municipal support.

FOOTNOTES:

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[1] Municipal Act, RSBC 1979, sect. 963 (1) (c) and(d)

[2] CMHC, Facilitating Production of Affordable Housing Through Regulatory Reform and Streamlining Approval Process, May 1986, p.7.

[3] Ibid, p. 7.

[4] Ibid, p. 7.

[5] Alberta Municipal Affairs, Alberta Mobile Home Park Comparison Tax Study, Nov. 1989

[6] Corporate Research Associates Inc., Manufactured Homes Market Study, 1989

Chapter 5 Federal and Provincial Policies and Legislation

Manufactured housing, as any other industry, operates within a federal and provincial legislative and policy framework. The following is a brief overview of selected federal and provincial policies and regulations which affect the manufactured housing industry and manufactured home owners.

5.1 Federal Policy and Legislation

There are two broad areas of federal jurisdiction which impact directly on manufactured housing: housing and the use of land on Indian Reserves.

5.1.1 Canada Mortgage and Housing Corporation

The Canada Mortgage and Housing Corporation (CMHC) is an agency of the federal government. It is responsible for a wide range of housing-related programs and information, including mortgage loan insurance.

(i) Mortgage Loan Insurance

When CMHC insures a mortgage, it assumes the risk of loss. Approved lenders (banks, trust companies, credit unions, life insurance companies and caisse populaires) can feel confident about the loans they make to home buyers because it is assumed that the value is inherent in the home. This means people who might not otherwise be eligible can have access to high ratio financing. In some cases, this insurance applies to mortgages on manufactured homes as well.

Manufactured homes which are placed on permanent foundations on property which is owned by the home owner (including bare land strata lots), and which are no longer registered in the Manufactured Home Registry, are treated as any other type of single dwelling. If the home otherwise qualifies, CMHC will insure the mortgage.

Homes located on rental pads in manufactured home parks, however, are treated somewhat differently. They are treated for mortgage purposes as chattels if they are still "mobile", particularly if they are still registered in the Manufactured Home Registry. The CMHC insurance program which applies to these homes is the Chattel Loan Insurance Program. Unfortunately, not all lending institutions participate in the program, so access to loan insurance is limited.

For those that do participate, in order to insure a chattel mortgage, CMHC must be satisfied that the home is a marketable security. CMHC will use a formula to calculate the amount of loan eligible, and will examine the leasehold arrangements. For the purposes of the loan insurance, some of the costs of the home are not included in the eligible amount and there is no value assigned to the lease. The result is that chattel mortgages often fall considerably short of the price of the home and the down payment portion required of the home buyer is correspondingly higher. In some cases, this may mean that, even though the home is less expensive than a site built home, the initial cash requirement is higher, and sometimes prohibitive.

The Chattel Loan Insurance Program is being operated as a five year pilot project. It has had limited use in British Columbia. For example, of the 524 homes sold on Vancouver Island in 1991, only 20 had chattel mortgages insured under this program.

(ii) Housing Programs

Canada Mortgage and Housing Corporation operates a number of programs aimed at increasing access to home ownership.

One program which is of particular interest to manufactured housing is "Affordability and Choice Today" (A.C.T.). This program is based on the concept that "regulatory reform could improve housing affordability, quality and choice, and could increase opportunities for innovation". Financial assistance is provided to three types of approved regulatory reform projects: Demonstration Projects, Streamlined Approval Process Projects, and Case Studies of Existing Initiatives.

Demonstration Projects under A.C.T. involve the construction of a residential building or a subdivision that demonstrates how innovative changes to planning, design, construction and/or servicing regulations can improve housing affordability, choice and quality.

Another program sponsored jointly by CMHC, the manufactured housing industry and provincial housing agencies is the Garden Suite Demonstration Program. CMHC has provided financial assistance to test the feasibility of using the units as an assisted housing option for low-income seniors.

Even where there is public and community support, a major hurdle to overcome in making use of garden suites is municipal resistance based on concern over such issues as servicing, parking, access to the site and removal of the home. Recognizing this, CMHC can provide funding for regulatory reform projects through the A.C.T. program referred to above in order to help in the streamlining of municipal land-use regulations to allow for the temporary installation of Garden Suites.

Other programs include the Job-site Innovator Awards Program (to encourage builders and tradespeople to develop and share new "tricks of the trade" or construction techniques) and the CMHC's Housing Awards which are offered for innovative housing ideas.

(iii) Housing Information

The Canada Mortgage and Housing Corporation collects, records, monitors, analyzes, and publishes a range of information about housing at the national, provincial and local level.

These CMHC market analysis reports contain data and analysis on the rental market and new housing activity. To date, these reports have not included information about manufactured housing starts. CMHC information about the housing industry is used as a social and economic indicator, and provides insight into such things as housing affordability in the province. The lack of inclusion in the reports of manufactured housing skews the results, although not significantly since manufactured housing only represents 6.3% of housing starts in B.C. It is noteworthy, however, that while insuring these units, CMHC does not include them in the statistics.

5.1.2 Indian and Northern Affairs Canada

Responsibility for the administration of the Indian Act rests with the Federal government through Indian and Northern Affairs Canada (INAC). According to the Malatest Survey, approximately 5% of the parks which were identified in the report were located on Indian Reserve Land in October, 1991. In areas where developable land is in short supply, such as southern Vancouver Island, pressure for more sites for manufactured housing has led to expansion of existing parks and development of approximately 10 new parks on Indian Reserve land over the last 5 years.

Legally, all land within Indian Reserves is Crown Land which is held in trust for the use and benefit of a Band. This arrangement has implications for aboriginal and non-aboriginal persons wishing to develop Indian Reserve land for manufactured home park use, and for persons renting a pad for their home in a park located on a Reserve.

In order to develop land on Indian Reserves, it is necessary for the developer to work with INAC and have some understanding of the process for designating Indian lands for development. Most existing manufactured home parks were either developed jointly by a non-aboriginal working with the band or band members (sometimes with limited benefit to the band and native individuals involved) or under leasehold arrangements with individual band members who held Certificates of Possession (locatees).

A locatee may lease land to anyone under Section 58 of the Indian Act for a period of 49 years or less without a band vote, and for longer periods with the approval of the Band and the Minister responsible for INAC. INAC approval is required for all leases and permits for all Indian Reserve lands. An environmental impact assessment must also be carried out for all formalized uses of Indian Reserve land.

Development on Indian Reserve land is not subject to municipal by-laws and standards, although INAC does ask that developers comply with those local municipal and provincial standards which are in effect on adjoining lands. Bands can pass by-laws affecting the use of Reserve land and once passed, they have full legal effect. INAC advises the Bands on all matters, including environmental issues, and requires engineering seals for development proposals.

Problems often arise between municipalities and adjoining Indian Reserve land developments over servicing. In some areas where municipal services are used, financial arrangements are made between the band and the municipality for payment of services. In other areas, home owners pay for municipal sewer, water and garbage collection and other services as part of their property taxes, directly to the municipality.

There is sometimes the perception that developments on Indian Reserve land adjacent to municipalities have access to an unfair share of scarce municipal resources, particularly where the municipality has placed severe limitations on the development of land within their boundaries.

This perception is exacerbated by the fact that developments on Indian Reserve land are not subject to the municipal zoning process and existing residents in the municipality do not have the municipal public hearing process to air their views. At the same time, some First Nations are looking at manufactured home parks as a means of responding to an existing housing demand while taking advantage of their land resource as an economic asset. The issue of access to services is unresolved and is the subject of consultation between First Nations and local governments in some areas of the province.

It is important for the home owner renting a pad site in a manufactured home park on Indian Reserve Land to become knowledgeable about the unique circumstances associated with Indian Reserve land. Any prospective user of Indian Reserve land should be satisfied that any agreement is a valid legal agreement and that any head or sublease has the legal approval of INAC. One should know whether the rental agreement is a lease from the locatee or a sublease from a developer who holds the "head" lease. In either case, rental agreements should be registered with Indian and Northern Affairs in Ottawa. Tenants should also determine what is included in the rent and whether separate municipal taxes will be payable to the adjacent municipality.

There is also question as to whether or not provincial legislation and programs apply to persons living on Indian Reserve land. One of the most important is the Residential Tenancy Act which is discussed below.

5.2 Provincial Legislation

Manufactured housing is regulated by provincial legislation for purposes of consumer protection, highway safety, taxation, land use management, landlord-tenant relations (consumer protection), and public health and safety.

In some cases manufactured homes are regulated because they are transported on the public highways and are therefore treated as vehicles (Motor Dealer Act, Liquor Control and Licensing Act), and in some they are regulated as homes (Building Standards Act, Municipal Act) and in some cases because they are personal property or chattels (Manufactured Home Act, Personal Property Security Act, Trade Practices Act).

The issue associated with the legislation covering manufactured housing is not so much the number of Acts involved, but the administrative implications for the government, the industry and the consumer.

The following is a brief description of some of the relevant provincial legislation.

5.2.1 The Manufactured Home Act, 1979

The Act is presently administered by staff who work for the Ministry of Finance and Corporate Relations, although temporarily the Minister responsible for the Act is the Minister of Government Services.

The primary purpose of the Act is to provide for the registration of initial ownership and of the transfer of ownership of manufactured housing in a Manufactured Home Registry which is operated by the Finance Ministry. The Registry contains records of the Registration number, year of manufacture, make and model of the manufactured home, the registered location, and the name and address of the registered owner. The registry has issued decals for new homes and transport permits for all homes which have been moved since April 1, 1978. Such things as the payment of taxes are checked before transport permits are issued.

The Manufactured Home Registry presently has over 68,000 homes registered on file. Unfortunately, none of the information is in automated form, so access to the information is severely limited if not impossible.

Section 54 of the Manufactured Home Act was proclaimed on May 13, 1992. Under this section, no new or previously unoccupied home may now be sold, offered for sale or advertised for sale, or moved unless it complies with CSA Z240 series or CSA A277 standards.

The Manufactured Home Act and Regulations also tend to be used, particularly by municipalities in zoning bylaws, as an authoritative source for definitions of "manufactured" and "modular". The definitions which are set out in the Act are for the purpose of the Act and are not necessarily suitable for other purposes such as in land use bylaws.

5.2.2 The Residential Tenancy Act, 1984

This Act is administered by the Residential Tenancy Branch of the Ministry of Labour and Consumer Services.

The Residential Tenancy Act address such matters as the terms of tenancy agreements, the frequency of rent increases, termination of tenancies, and the role of an arbitrator. The Residential Tenancy Branch has legislative authority to arbitrate monetary disputes between landlords and tenants of up to $10,000 in value.

In September,1990, the Act was amended to prohibit discrimination against families. This section has recently been repealed and a new virtually identical section of the Human Rights Act now applies. This is discussed below.

Issues related to landlord/tenant matters in manufactured home parks are very similar to the issues surrounding this relationship in other residential rental situations. The complication with manufactured home parks relates to the fact that the tenant is also a home owner with money invested in the home. The ability of the tenant to vacate the pad is restricted by the fact that in order to vacate, the home must be removed and located elsewhere. Not only is this costly but, in areas where there are shortages of sites, it may be virtually impossible.

These as well as other issues related to rental tenure in manufactured home parks were the subject of the Mobile Home Task Force in 1990. A number of issues were resolved through that process and subsequent legislative changes, but many are still causing concern, particularly to tenants. These concerns are being addressed through a new Park Owners/Home Owners Mediation and

Dispute Resolution Committee and through the work being undertaken by Rick Kasper, MLA on behalf of the Minister of Labour and Consumer Services on the legal rights of manufactured home and park owners.

As mentioned above, the question of jurisdiction of provincial legislation is often an issue on Indian Reserve Land. According to the Residential Tenancy Branch, in cases of arbitration, some arbitrators have determined that the Act does apply to disputes related to rent increases, but in disputes related to the land, such as notices of termination, the Act does not apply. However, since the arbitrators are not bound by precedent, different decisions could be made in future cases.

The real issue surrounding the Residential Tenancy Act is the necessity for tenants and landlords to know their respective rights and obligations prior to entering into a tenancy agreement. This is particularly important for persons contemplating renting a pad in a manufactured home park since the decision to rent also involves a major expenditure of money in purchasing the home.

5.2.3 The Human Rights Act, 1984.

The Human Rights Act is administered by the B.C. Council of Human Rights under the Ministry of Education and Ministry responsible for Multiculturalism and Human Rights.

Under Bill 63, the Human Rights Act was amended by adding to the section prohibiting discrimination in tenancy premises. Just as it was under the Residential Tenancy Act, it is unlawful to discriminate in tenancy premises on the basis of family status. (Under the previous legislation, this was worded "on the basis that discriminates against a family because it includes a child"). In addition to "family status", it is also unlawful to discriminate in tenancy premises on the basis of age. One exception to this rule is where each residential unit in the premises (manufactured home park) is reserved for rental to a person 55 years of age or older, or two or more persons where at least one person is 55 years of age or older.

5.2.4 The Motor Dealer Act, 1979.

The Motor Dealer Act is administered by the Ministry of Labour and Consumer Services.

Under the Motor Dealer Act, a motor vehicle as defined includes manufactured homes (as defined under the Manufactured Home Act). Therefore, a person selling manufactured homes from a lot or in a park must be registered as a licensed motor dealer. If an interest in land is involved (rental, leasehold or freehold), homes may also be sold by persons licensed under the Real Estate Act.

In order to obtain a motor dealer license, manufactured home dealers must comply with the requirements of the Motor Dealer Act. These requirements include the placing of a "dealer's bond" (valued at $15,000), have premises which are properly zoned, maintain premises for the display of homes, identify the business with a sign, and have a license (Registration Certificate) conspicuously displayed. In carrying on the business, the provisions and regulations of the Motor Dealer Act apply.

As of May 29, 1992, these regulations now include a requirement to include in the sale or purchase agreement disclosure of the costs of: transportation, if any; set-up, hook-ups; and park development fees. There is no definition in the regulation as to what is meant by "park development fee", a matter which is presently the subject of discussion between the industry and the Ministry.

5.2.5 The Municipal Act, 1979.

The Municipal Act is administered by the Ministry of Municipal Affairs, Recreation and Housing.

This Act empowers local governments to carry out all their daily and long term activities related to tax collection, licensing, public works, recreation, fire protection, community planning, etc. The impacts of the local governments' land management activities are discussed in Chapter 4.

To a large extent, local governments operate quite autonomously in British Columbia; however, the Municipal Act is provincial legislation and does give the provincial government a legislative tool for persuading or requiring municipalities to undertake certain activities. An example of this was the enactment on May 19, 1992 of Bill 20. This bill amended Section 945 of the Municipal Act by adding the following subsection:

"(2.1) A community plan must include housing policies of the local government respecting affordable housing, rental housing and special needs housing."

This section comes into force on September 30, 1992.

In a circular issued by the Ministry on June 12, 1992, the intent of the amendment was described as follows:

> "Section 945 (2.1) calls on municipal councils, regional district boards and the Islands Trust to give housing a high priority in the management of community development.
>
> Clearly, the well-being of all British Columbians requires the provision of affordable, rental and special needs housing. Local governments have a primary role in the provision of:
> - suitably zoned land
> - supportive development standards and approvals processes
> - necessary services; and
> - an appropriate fiscal environment
>
> All of these are essential to the provision of affordable housing."

5.3 Provincial Policy

In some ways, provincial policy can be just as powerful as legislation. Provincial policy can determine how legislation is administered and implemented and which issues receive attention (and funding).

The current thrust of the government appears to be to support home ownership. In order to develop policies which will encourage and facilitate access to home ownership (i.e. affordability), in June, 1992, the provincial government announced a Provincial Commission on Housing Options that will look at ways to meet housing needs, both market and non-market, for those with limited resources. The Commission will focus on market rental housing, non-market rental housing and homeownership for first time buyers. The Commission is due to present its report to the Minister by the end of the year.

Other policy decisions which affect manufactured housing are those which relate to social housing and rental assistance programs.

Social housing programs in British Columbia are administered by the British Columbia Housing Management Commission. Although BCHMC does manage some units directly, most new units are developed by nonprofit housing societies for low-income and special needs housing. BCHMC provides technical and management advice, subsidies and start-up grants, depending on the program. Manufactured housing has been examined by BCHMC to determine if there are cost savings which could be realized from using this type of construction for new units. The process of awarding contracts for social housing is a competitive bid process, and to date the manufactured housing industry in B.C. has not entered into this field. There are examples in the Unites States, however, where manufactured housing has worked with local and state authorities to develop seniors and special needs housing.

A program which is delivered by the Ministry of Municipal Affairs, Recreation and Housing directly is the S.A.F.E.R (Shelter Aid for Elderly Renters) program. This program provides direct cash assistance to eligible residents of British Columbia age 60 and over who live in rental accommodation. The objective of the program is to ensure that older British Columbians need not spend an unreasonable portion of their income on rent. To date, this program has not applied to renters of pads in manufactured home parks. For the purposes of eligibility for provincial housing programs, manufactured home park residents have been treated as home owners who receive home owner grants, and since rents have been relatively low, if seniors renting pads had applied, few if any would have been eligible for S.A.F.E.R.

The Manufactured Homes Survey which was conducted for the Ministry of Social Services and Housing in the summer of 1991 by R.A. Malatest and Associates Ltd. was undertaken specifically to ascertain the potential demand for pad rental assistance, through the S.A.F.E.R. program, for senior citizens living in manufactured homes. The survey was conducted to gather information concerning pad rental costs, household income, percentage of seniors residing in manufactured home parks, and individual willingness to apply for rental assistance. Ministry policy concerning the application of the program to manufactured home parks has not yet been established.

5.4 Conclusions

Based on the review of federal and provincial legislation and policies, experience from other jurisdictions and input from members of the Steering and Advisory Committees, the following conclusions refer to the key issues which have the effect of placing limitations on the use of manufactured housing.

- Financing which is available to the potential home buyer is a major constraint to the use of manufactured housing. The Canadian Manufactured Housing Institute and the Manufactured Housing Association of British Columbia has had ongoing discussions with lending institutions and CMHC in an effort to have this form of housing treated more equitably so that the affordability of the homes for prospective home owners is not thwarted by the lack of financing or by unfavourable mortgage conditions. Although both banks and CMHC have admitted that financing of manufactured homes has not created serious problems in the past, there is still reluctance to treat manufactured home mortgages more favourably.

- Divisions of responsibility among provincial ministries has led to some confusion and frustration for the public. No one ministry has been "worrying about" all the manufactured housing issues.

- Local and provincial governments are being asked to respond to the concerns of tenants living in manufactured home parks. Legislative intervention is often being requested as a solution to individual problems of rent increases or changes to the living environment. However, in other jurisdictions it has been shown that the introduction of more regulatory control, particularly over rent increases, has had the effect of reducing the supply of rental accommodation. Simplified regulatory environments and municipal zoning processes generally do more for the supply equation with subsequent increases in choices for tenants.

An increase in the supply of sites available for individual manufactured homes and manufactured home developments will help to alleviate the pressures causing many of these problems by increasing choices for new and existing homes owners. An increase in the supply to meet the demand will also mean lower overall costs. Altogether, more choices will reduce the number of complaints and frustrations being voiced by tenants and park owners alike.

- The inability to restrict tenancies to adults only or families only has caused concern to both home owners and park owners in many areas of the province. As we will note in the next Chapter, many of the residents of manufactured home rental parks are seniors and according to the Dealers Questionnaire, many of the new home buyers are also seniors. The problem is in defining a "senior". In the Okanagan, park owners are experiencing a shift in potential home owners to a younger group of "semi-retirees", who nonetheless wish to be in a child-free environment. The new legislation no longer even allows them to restrict the age of tenants. (Previously the age could be restricted, but children could only be denied in premises reserved for persons 55 and older.)

Because of changing demographics within B.C. and immigration from other provinces of persons seeking the milder climate and lifestyle of British Columbia, there is a tendency on the part of both park and home owners to attempt to have current and potential parks designated for adults only. This tendency can cause hardship to existing homeowners by restricting their potential resale market, and can mean that families with children have less access to manufactured housing developments as an affordable choice for housing.

• The logic of having dealers licensed under the Motor Dealer Act has been debated for years. However, there are some arguments which state that the consumer is better protected when buying from a dealer licensed under the Motor Dealer Act, together with the other consumer protection legislation which apply to the purchase of a manufactured home from a dealer (such as the Trades Practice Act and the Personal Property Security Act) than when buying a home under the Real Estate Act.

• Hopefully, in complying with Bill 20, consideration of manufactured housing will be included in municipalities' deliberations and public discussions. The Ministry of Municipal Affairs, Recreation and Housing will be providing financial assistance to local governments to enable them to develop and refine their housing policies.

Chapter 6 The Home Owner

The whole manufactured home industry depends on the sale of homes to consumers. Therefore, the role of the home owner and home buyer is a vital part of the discussion.

There is no definitive source of information about persons who own and live in homes which are factory-built as distinct from site-built houses. In order to obtain information about the characteristics of owners of manufactured homes, the Ministry of Social Services and Housing asked the firm of R.A. Malatest and Associates Ltd. to conduct a Manufactured Homes Survey in July and August, 1991. The following statistical information is based on that survey.

Figure 8

Estimates of the number of manufactured homes in B.C. based on data from the Manufactured (formerly "Mobile") Home Registry and the B.C. Assessment Authority.

Manufactured Homes in British Columbia

Manufactured Home Registry and B.C. Assessment Authority Data

Source	1986	1991
Mobile Home Registry	61,338	68,000
B.C. Assessment Authority:		
Total Manufactured Homes	52,162	57,848
Homes in Parks	37,523	41,613
Homes Outside Parks	14,639	16,234

Source: Manufactured Home Survey, Malatest, 1991

According to the report, almost 80% of manufactured homes are estimated to be located in rental parks; the rest of the manufactured homes (approximately 20% of the total) are located outside parks under a different form of tenure.

6.1 Home Owners in Manufactured Home Parks

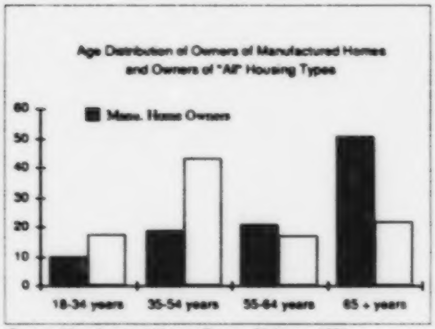
The survey contains information about the population of home owners who live in manufactured home parks, including age and income levels. The survey results are based on a questionnaire which was administered in July and August of 1991 in nine manufactured home parks in the Greater Victoria and Lower Mainland regions. Letters were sent to 825 homes, from which 603 responses were received.

In order to estimate the age cross section of manufactured home owners in B.C, in addition to the information obtained from the survey, representatives from the United Manufactured Home Owners' Association in B.C. and the Manufactured Home Parks Owners' Association of B.C. were asked to estimate the proportion of seniors living in the various parks in the different regions of British Columbia.

On the whole, as illustrated in the chart below, manufactured home owners tend to be older than individuals who own other housing types including single detached homes, duplexes or condominiums. This seems to indicate that manufactured home parks are a more popular choice for seniors than for the population as a whole. It also means that a larger percentage of owners of manufactured homes in parks are likely to be on limited or fixed incomes.

Figure 9

Age comparison of owners of manufactured & other types of homes



Source: Manufactured Homes Survey, Malatest, 1991

Figure 10

Selected household characteristics of owners of manufactured homes

Selected Household /Residing Characteristics of Owners of Manufactured Homes

Characteristic		% of Sample/Years
Status:	Couple (married/common law)	51.9%
	Single person	40.0%
	Shared	81.0%
Type of Manufactured Home:	Single wide	75.5%
	Double wide	24.5%
Average number of years residing:	in Canada	55.6 years
	in B.C.	39.7 years
	in same park	7.3 years

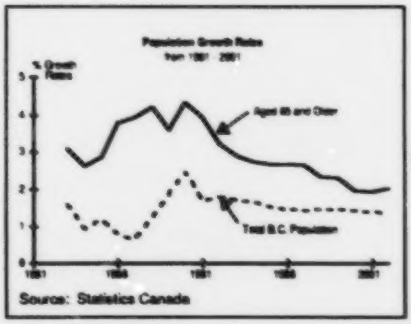
Source: Manufactured Homes Survey, Malatest, 1991

The household characteristics of home owners are illustrated in *Figure 10*.

Population and demographic projections for British Columbia indicate that the total number of seniors, and the percentage of seniors of the total population is increasing, but at a lower rate than in the past, as illustrated in *Figure 11*. If manufactured home parks continue to be a popular choice for this group, the demand for this type of housing for seniors will continue to increase steadily , albeit at a slower pace.

Figure 11

Population growth rates comparing the total B.C. population to those aged 65 and older.



Source: Statistics Canada

The Malatest Survey also addressed issues of affordability of living in manufactured home parks. The survey did not address the questions of affordability of buying the homes themselves, simply the affordability of living in a manufactured home park, compared to living in a totally owned or rented accommodation.

Affordability is, of course, a function of both income and shelter cost. There are considerable differences in household incomes on the basis of respondent age and household status in existing parks. Quoting from the Malatest Survey:

- Although more than one third of respondents under the age of 55 years reported a household income in excess of $30,000 per year, only 15.2% and 6.9% of respondents aged between 55 and 64 years, and over 65 years respectively, reported an income exceeding $30,000 per annum.

- More than one-half (54.8%) of single person homeowners reported that their income was less than $25,000 in 1990. A smaller proportion of couples (21.8%) and shared households (30.6%) received incomes below $15,000.

- Only 16.1% of households indicated that their incomes exceeded $30,000. Approximately the same proportion (15.9%) indicated that their income in 1990 was below $10,000.

Obviously, it is difficult to generalize about the income levels of manufactured home park residents based on the survey results. However, it is not surprising that older residents generally have a lower income than those who are under 55 years of age and still working.

Figure 12

Pad rentals in manufactured home parks

Monthly Pad Rentals by Age Group

Age Group	Current Average Rent
Under 35 years	$272
35 to 44 years	$298
44 to 54 years	$313
55 to 64 years	$311
Over 65 years	$351
Average	$329

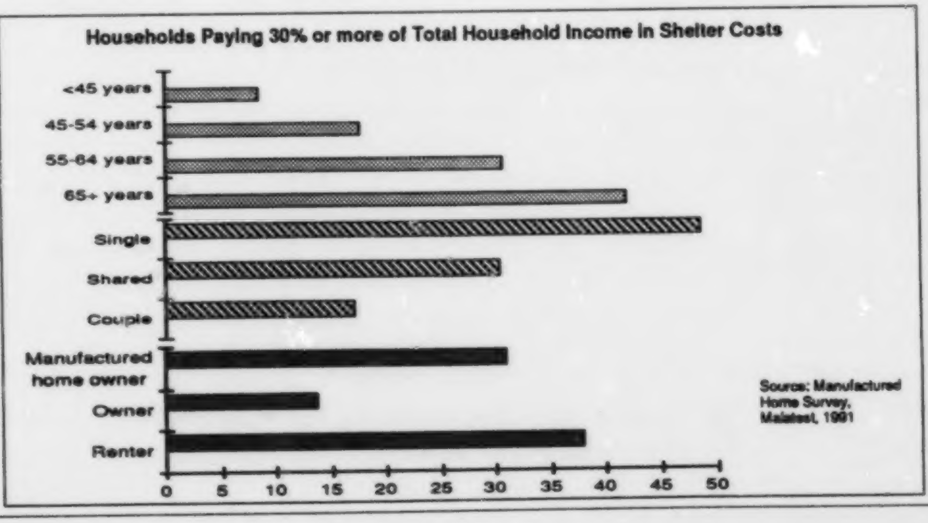
Source: Malatest Survey, 1991

Figure 12 shows the average pad rentals paid by respondents to the Malatest Survey according to age. Malatest points out that the difference in rents did not generally appear within parks, but rather reflected the different amenities available in the respective parks. Senior citizens tended to prefer parks which had greater security, centralized facilities, and were within close proximity to shopping centres, offices and other public facilities.

The Malatest Survey also looked at the characteristics of renter, owner, and manufactured home owner households paying 30% or more of total household income in shelter costs. Mortgage costs for the purchase of the home and property taxes are not included in the manufactured home total. The following chart shows the comparisons.

Figure 13

Households paying 30% or more of their income on shelter



Source: Manufactured Home Survey, Malatest, 1991

6.2 Buyers of Manufactured Homes

A complete market survey of buyers of manufactured homes was beyond the scope of this study. However, in the Dealers' questionnaire, new home dealers were asked to describe the household characteristics of their customers as they were in 1987 and in 1991. The responses represent 80% of the homes sold in British Columbia. These customers were buying homes for parks and for outside park locations.

Dealers indicated that there have been changing trends in household makeup of buyers over the past 5 years. Although "empty nesters", senior couples, and single seniors still continue to make up the majority of buyers, (up to 96% according to one dealer in one part of the province), the percentage of total buyers who are young couples and families with children has increased from a range of 5 to 20% in 1987 to 5 to 75% in 1991. This wide range is due to the different geographic location of the dealers and the different types of parks in the area. There has also been a recent increase in the demand for three bedroom homes which are usually preferred by families with children. Given the slowing increase in the number of seniors, and the increasing concern about affordability, it would appear that this younger group will be a larger potential market for manufactured housing than in the past. The median age of the consumer of manufactured homes will shift notably to a younger age group if current trends continue, particularly if supply is increased and economies of scale result in lower prices.

Figure 14

Family and age characteristics as a % of total manufactured home buyers

Characteristics of Manufactured Home Purchasers

Household Characteristics	Range in 1987	Range in 1991	Average in 1991
Young Singles	1 to 10	1 to 10	6%
Young Couples	5 to 10	5 to 15	7%
Families with Children	6 to 20	2 to 75	13%
Empty Nesters	10 to 45	1 to 60	22%
Senior Couples	20 to 80	15 to 96	50%
Senior Singles	5 to 15	1 to 15	11%

Given that this was not a comprehensive survey of the buyers themselves, the results still provide an interesting overview of the mix and the changes in manufactured home buyers.

6.3 Buying a Manufactured Home

When a factory-built home is purchased as a unit separate from the land on which it is located (for a rental manufactured home park, a bare land strata development, or a freehold lot), the process of buying the home is different from buying a home which is built on site.

A manufactured home purchase is usually a 2-part transaction: the purchase of the home itself, and the rental or purchase of the land on which it is to be located.

The pros and cons of the different types of tenure available for manufactured home buyers are set out at the end of the Chapter.

New manufactured homes may be bought from a licensed manufactured home dealer at the dealers lot or, in some cases, from a park owner who is also licensed to sell new homes. Resale homes are also offered by dealers, park owners or existing home owners either directly or through a real estate agent. Homes being offered for sale can often be found within a manufactured home park simply posted "For Sale" or they may be on the local Real Estate Multiple Listing Service. The price of resale homes varies according to location, age and condition of the home. The prices of homes in parks can range from $15,000 to over $100,000. Resale homes sold by dealers in British Columbia in 1991 ranged in price from an average of $28,500 for single wides to an average of $60,000 for double wide homes.

The prices of new homes range from an average of $48,800 for single wides to $70,000 for double wide homes, plus the cost of any additional options, transportation to the site, site preparation and set-up. One important factor to consider in purchasing a new home is the CSA Standard. The different standards are described in Chapter 3. As was noted in Chapter 4, some municipalities restrict the location of homes which are built to CSA Z240 Standards to manufactured home parks, whereas homes which are CSA A277, particularly double wides, are being more accepted in standard residential neighbourhoods.

One of the issues which is often raised in the discussion of manufactured homes is the question of the depreciation or appreciation of the value of the home. There are no known studies in Canada which specifically address this issue. However, a report was published in the U.S. publication "Manufactured Housing Quarterly" in the Fall/Winter 1991 edition which compared manufactured homes to neighbouring site-built homes with similar characteristics. The factors which affected the resale value of manufactured homes were similar to those which affect site built homes - location, quality, demand, size and appearance. Double wide homes tended to appreciate better than single wides, and homes which were located on fee simple property where the land was sold along with the house actually appreciated more than comparable site-built single family homes in 3 of the 4 developments studied. The quality of construction, location and development standards and demand for affordable homes were cited as factors affecting the resale value of manufactured homes.

6.3.1 Manufactured Home Parks

Although the purchase of the home and siting it are separate transactions, they are obviously very interrelated. If it is decided to rent a pad in a home park, it is very important for home buyers to check the tenancy agreements and rules and regulations of potential parks prior to making any commitment to buy a home, whether it is already located in a park or not. Many of the complaints expressed by manufactured home park tenants are a result of discovering information too late - after the home is purchased, and often after it is located in the park. Chapter 5 includes information about the Residential Tenancy Act and the Indian Act, both of which can impact on manufactured home parks.

All negotiations for the pad rental should be made prior to purchasing a home. This applies even if the home is already located on a pad in the park, either as a new home or a resale. Buying a home in a park from the park owner, home owner or through a real estate agent does not include the right to rent the pad on which it is located. The tenancy must be arranged with the park owner.

Most manufactured home park owners have a set of "Rules and Regulations" which apply to the park. These may cover such things as parking on the roads, additions to homes, pets, visitors, noise etc. Under the Residential Tenancy Act, a landlord is permitted to impose terms on a tenant so long as those terms are reasonable and do not violate the Act. There are certain factors which can be considered in determining if the rules are reasonable; however, the most important thing for a prospective tenant is to be aware of the rules and be prepared to accept that, even if he/she considers the rules to be unreasonable, they may be ruled reasonable and enforceable under the Act. The rules should be reviewed and understood prior to entering into a tenancy agreement.

The purchase of a manufactured home and the rental of a pad on which to locate it have major financial implications. Although certain consumer protection laws do apply to the transactions, it is still advisable to seek legal advice prior to making the commitment to purchase the home and lease the lot.

6.3.2 Bare Land Strata Developments

The factors to take into account in purchasing a bare land strata lot for a manufactured home are the same as those for buying any other piece of real estate. The advantages and disadvantages of the various tenure options are set out at the end of this chapter. Bare land strata development is described in Chapter 3.9.2.

Bare land strata developments may be developed and sold as a unit (land and home together, just as for site built), or the purchase of the manufactured home may be separate from the purchase of the lot. In the latter case, there are usually restrictions placed on the development by the developer as to the type, size and manufacturer of the homes which may be placed in the bare land strata community. Purchases may be made from the developer or from a real estate agent and the Real Estate Act applies to the transaction. The bare land strata plan is registered in Land Titles.

The purchase of a lot in a bare land strata also includes a part ownership of all common property and facilities within the site. The Condominium Act applies to the registration and operation of a bare land strata corporation.

6.3.3 Freehold Lots

Apart from all of the normal considerations in purchasing real estate, it is important for a prospective home owner to determine if there are any restrictions in the municipality concerning the use of manufactured homes. Many municipalities permit CSA A277 multi-section homes which are built to BC Building Code standards in some or all residential areas. Restrictions which prohibit manufactured homes from zones other than manufactured home parks and rural areas usually apply to single-wides.

6.4 Conclusions

Many of the issues facing manufactured home owners are not issues related to the homes themselves but are concerns relating to tenure. Since 80% of manufactured homes in British Columbia are in manufactured home parks, and most of these are rental, the issues for many arise as a result of the conflicting interests of land owner and tenant/home owner referred to many times in this report.

There are some advantages to rental use of land for the home owner such as initial affordability, particularly if the home owner does not have the capital required, or wishes to use the money for other purposes, such as supplementary income, travel or a second home. The advantages increase when the rentals are based on long term leases.

Many of the advantages of rental parks (physical security, maintenance, community atmosphere, ground level living) are also available to manufactured home owners in bare land strata developments. In many cases, particularly for first-time home buyers who are looking for a starter home, the issue then becomes the affordability of the lot. A strata lot requires initial equity for a down payment. As indicated earlier, the home and the land are eligible for conventional mortgages which increases the ratio of mortgage to equity and hence increases the affordability for many first time buyers. If more parks were developed as bare land strata developments, this type of tenure would be available to existing and potential manufactured home owners, giving them a choice of lot rental or ownership.

Tenure Options for the Home Buyer

	PROS	CONS
Rental Park (Month to Month or short term)	• No initial equity investment required in the land • Grounds maintenance by park manager • Physical security of park • Community lifestyle • Common recreation facilities • Ability to leave the home in a safe setting for extended periods • Short-term living accommodation (mobility) particularly for remote areas • "Affordable" choice, particularly of resale homes, often in locations where land prices would make other types of home ownership prohibitive • Rules and regulations control the social environment (i.e. noise, parking, pets, neighbours) and are enforced by third party • Realize any increase in the value of the home without equity investment in land • Equity funds can be used for other purposes: supplementary income, second home, RV, travel	• No security of tenure where pads are rented month to month • No control over rules and regulations • No return on "investment in land" - dependent on increasing value of location being reflected as appreciating value of home • Limited supply and choices in high density areas of Lower Mainland and Vancouver Island • Residents perceived as transients • High pad rents reduce marketability and sales price of homes •Impact of changing status from family to seniors • Limit on selection of dealers and homes in some parks • Rent increases in areas where land values are high (i.e. Lower Mainland, southern Vancouver Island) • Mortgages on homes often treated as chattel loans with higher rates, shorter amortization periods, and larger down payments
Rental Park (long term lease)	• Same as short term lease plus comfort of security of tenure	• Market value of lease decreases as lease expires • May have to be renegotiated at end of lease in order to keep pad as home site - removal difficult and expensive

Home buyer	PROS	CONS
Rental Park (long term lease) cont'd	• Long term lease is recognized as having value by lending institutions and may result in homes being eligilble for conventional mortgages • Lease is marketable as part of the home - may increase value of home upon resale	• No control over park management or rules and regulations • Less mobility
Co-op Park	• Homeowners own share in the corporation which owns the park, therefore participating in management decisions and benefiting from company assets • Pads are, in effect, rented from the co-op • Park management, maintenance, and pad rents set by co-op • Other advangtages of park, such as security	• Equity required to purchase share in co-op • For existing parks, majority of homeowners must agree to convert and buy • Park management responsibilties rest with co-op • Rules and Regulations can be set by the co-op and may not suit all
Bare Land Strata	• Land ownership - lot is held freehold - any increase in value of land realized by homeowner • If bought outright, only monthly cost is maintenance fee • Lower long term cost when mortgage paid down • Conventional mortgages available for eligible home buyers	• More initial equity required for purchase than rental • Strata Corporation can impose by-laws which can affect quality of life and resale value(e.g. "no pets")
Subdivision	• Pros and cons of freehold tenure same as for conventional site-built home	

Chapter 7 Opportunities for Manufactured Housing

7.1 Introduction

The purpose of undertaking the study of manufactured housing in British Columbia was to promote a better understanding of manufactured housing as a component of the supply of housing, to encourage local governments to consider accommodating this form of housing and to provide guidelines for the planning , regulation and development of manufactured housing as a vital component of the overall housing supply. In Chapters 2 to 6, the key issues surrounding manufactured housing in British Columbia were examined. In this chapter, recommendations are put forth which, if acted upon, will assist local governments, the provincial government, and the industry to take steps which could increase the availability of manufactured housing as an affordable housing option for the future.

In this study, manufactured housing has been viewed simply as another way of building houses. A home which is built in a factory is one of the choices available to the consumer in British Columbia. For a variety of reasons, in the past, the use of this alternative type of house construction was largely restricted to either a rented pad in a mobile home park or a freehold lot in a rural area.

Over the past few years, the design and construction of manufactured homes have improved, particularly in multi-section homes, and they are less suited to the frequent moves for which mobile homes were originally designed. Many manufactured home parks have become permanent communities. In the United States and to a limited extent extent in B.C., the use of manufactured housing has expanded into developments based on long term rental, leasehold and freehold tenure.

The industry in British Columbia is in a state of transition. Many of the manufactured home parks which exist in B.C. today provide a viable, affordable form of housing. Future developments should attempt to retain the advantages of manufactured housing and home parks while addressing their limitations.

There is the potential for manufactured housing to play a significant role in the future of housing in the province. However, in order for this potential to be realized, changes need to be made by all the stakeholders.

The following recommendations are not intended to be an exhaustive list of how all the limitations of manufactured housing can be overcome. They are recommendations to the various stakeholders - the various sectors of the industry, local governments, and the provincial government - on actions which should be taken to address the issues in order to increase the choices for home buyers in the future.

7.2 Recommendations

7.2.1 Manufactured Home Communities

It has been noted many times in the report that some of the major impediments to the acceptance of manufactured housing are based on perceptions of manufactured housing in "mobile home parks". The quality of the homes and the potential for quality developments is sometimes acknowledged but there is still a scepticism on the part of the public, local governments and the development community which can only be overcome through example. Therefore, *it is recommended that:*

A model community be developed using manufactured housing.

Creating a manufactured home community

The purpose of the model community would be to demonstrate the acceptability and viability of using manufactured housing in today's market. It should incorporate examples of solutions to issues which concern local governments, the manufactured housing industry, developers, financial institutions and the public. The model community should be large enough to be a viable mixed community which provides examples of affordable housing options for a range of consumers, including families, singles, those with special needs, retirees and seniors. The design should incorporate innovative layouts and highly efficient use of land and services. The layout of the community should incorporate the most up to date ideas, not just in manufactured home park design, but in residential community design. In order to maintain a focus on affordability, the emphasis should be on low development costs and small lots while creating a community atmosphere and accommodating a variety of housing needs and lifestyles. Homes should be placed on ground level permanent foundations and a variety of styles and models offered by different manufacturers should be showcased.

The model should also be large enough to allow for the ability to incorporate a choice of tenure and financing options such as long term lease, equity participation and bare land strata, all of which would be offered as "home and land" packages.

The support of the provincial government will be vital to the success of a model community. In order that the model comminity illustrate a viable form of development in the marketplace, the role of the provincial government should be one of facilitating the development process. To address the element of risk, the provincial government should participate through the underwriting of the development costs and, if the availablilty of land is a major deterent, through making provincially-owned land available for sale or long term lease. The priority treatment of any requests for approvals from provincial agencies which may be required will be vital as well to the speedy implementation of the recommendation.

The model community should be located in an area which is accessible to a large population and where there is the most pressure for affordable housing - Vancouver Island or the Lower Mainland. Local government support is also vital to the success of the model. The affected local governments should use the opportunity of the model community to demonstrate local participation and cooperation. It should be used as an example of commitment to and leadership in facilitating innovative affordable housing options for present and future residents.

The development of the model community must be coordinated by a team who have had international-calibre experience in residential development and who have expertise in architecture, design and landscape planning in order to take advantage of the latest innovations in residential community design. The team will develop and coordinate innovative proposals for layout, design, financing and servicing the community and ensure participation of a variety of housing manufacturers.

Opportunities for different forms of tenure

Many of the problems associated with manufactured home parks have arisen because the home owners are also tenants. The agreements between home owners and park owners are subject to the Residential Tenancy Act. The Act is designed to address the relationship between landlords and tenants under the assumption that there is no equity interest on the part of the tenant. However, in rental manufactured home parks, there is an equity interest in the home, and that home, although it may be referred to as a chattel, cannot be easily removed from the site should a tenancy be terminated.

Medium and long term leases are being used in many areas of the United States, other parts of Canada and in some new parks in British Columbia. They address many of the concerns of home owners related to both security of tenure and the uncertainty of rent increases. There have been concerns expressed, however, about the viability of long term leases under the Residential Tenancy Act, particularly related to such things as the direct payment of municipal taxes and services by the home owner, rather than as part of the rent. In order to address these concerns and facilitate the more widespread use of long term leases in existing and new park developments, *it is recommended that:*

The provisions under the Residential Tenancy Act which impact on the use of long term leases be revised to accommodate the unique park owner/home owner relationship of manufactured home parks.

Specifically, it is recommended that the feasibiltiy of long term leases be examined as an option for existing parks as well as for new developments as one of the issues related to the Residential Tenancy Act which are being addressed by the government review of manufactured homes' laws by Rick Kasper, MLA on behalf of the Minster of Labour and Consumer Services.

In order to avoid many of the conflicts between land owners and home owners in the future, *it is recommended that:*

In new developments using manufactured housing, other types of tenure be available to home buyers (not necessarily within the same development) including long term leases, equity participation, cooperative ownership, bare land strata, and freehold land ownership.

The future of older manufactured home parks

As noted in the report, there are over 600 existing manufactured home parks in British Columbia, containing over 41,000 homes. Most of these parks are rental (i.e. provide rental pads on a month to month basis for manufactured homes) and range in age from over 25 years old to newly developed. Almost 60% of these parks are located on Vancouver Island, the Lower Mainland and the Okanagan. Within these areas are some of the highest land values in the country. This combination of factors is putting pressure on the parks to upgrade and modernize, to increase rents to support rising costs and land values and, in some cases, to redevelop the land for another use. There are also changing construction standards and technologies being used in the homes and the homes are larger than in the past. In older parks, changes or the threat of change can often have special social implications as well because many of the residents are older than the average age in the general population. Each park is unique; however, it is considered feasible to develop recommendations which would address problems occurring with older parks.

Therefore, in order to facilitate the resolution of the problems which are unique to the older, established parks, *it is recommended that:*

A technical committee be established to address the concerns of park owners, home owners and local governments in existing established manufactured home parks.

The technical committee should operate as a subcommittee of the Manufactured Housing Advisory Committee and should be convened to address the specific issues which are common to older manufactured home parks. The technical committee should be primarily made up of representatives of the Home and Park Owners' Associations, and the local governments in which many of the parks are located, with input from the provincial Ministries of Municipal Affairs, Recreation and Housing and Labour and Consumer Services. The committee should also work closely with Rick Kasper, MLA who is undertaking the review of legislation affecting manufactured homes and parks. It should be asked to make recommendations on methods of resolving the technical problems associated with older parks which may be adopted by park owners, home owners and municipalities, where problems occur.

Specifically, the technical committee should address issues such as those related to the future of old homes, the design constraints of older parks, and the application of new municipal rules to existing parks.

Consumer awareness

Persons considering the purchase of a manufactured home should be aware that there is a range of choices available in both homes and tenure, and that there may be restrictions on the location of manufactured homes within parks and within certain municipalities. Therefore, *it is recommended that:*

The provincial Ministry of Labour and Consumer Services produce an information leaflet setting out "Tips for Manufactured Home Buyers" which will summarize the information from this study and identify the key points of interest for prospective home buyers to increase consumer awareness of the advantages and limitations of the manufactured homes, manufactured home parks and different forms of tenure which are available.

In order to access prospective home buyers, the information document should be available from manufactured home dealers, park owners, manufactured home owner associations, municipal offices, lending institutions, the Real Estate Association and agents and the Ministry of Labour and Consumer Services.

7.2.2 The Structure of the Industry

Integrated approaches to development

Some sectors of the industry, particularly in the United States, successfully operate as both manufacturers and developers either as one company or by working jointly on specific projects. In fact, in the growing modular sector in the U.S., most homes are sold to builder/developers who market the finished house/land package. However, there is a lack of vertical integration in the industry in British Columbia where the majority of the homes produced in and shipped to B.C. are single section homes which are sold through the dealership network directly to consumers and are either placed in independently operated manufactured home rental parks or onto private lots. Many of the problems resulting from this approach are discussed in Chapter 3. In order to take full advantage of the opportunities for manufactured housing developments in the future and to increase acceptance at the local government level, *it is recommended that:*

The industry develop or acquire the expertise to become directly involved in planning and developing complete "home and land" packages for the new residential parks and subdivisions using manufactured housing.

To that end, the Manufactured Housing Association of B.C. should develop guidelines for the existing participants in the industry, whether they are involved in the process of building, transporting, selling or developing, which will increase their understanding of the residential design and development processes.

The Association should also develop education and training programs for its members which will address not only the administrative processes involved in the development of land, but also the need to be aware of and respond to the concerns of existing residents and the community. One key to the success of new developments will be the ability of the manufactured housing developments to integrate into the "residential fabric" of the community.

Since all local government policies and procedures are unique in British Columbia and each development is different, the industry should use expert professionals and developers with proven track records when undertaking new developments.

7.2.3 Affordable Homes

Participation with the housing industry

Since the manufactured housing industry is a part of the housing industry as a whole, many of the issues facing both methods of building are similar and these have been discussed in the report in terms of municipal resistance to development, a shortage of suitable, developable land in some areas of the province, and the costs of development. Therefore, *it is recommended that:*

The manufactured housing industry participate with the Canadian Home Builders' Association of British Columbia and the Urban Development Institute in addressing issues of land supply and regulatory reform at both the provincial and local government levels in order to develop long term strategies for meeting the demand for housing in the future.

Creating design options

Of all the choices in manufactured homes, the single wide is still offered as the most affordable choice to the consumer. To many people, this is the typical "mobile home". In an effort to change the image of manufactured housing, the term "mobile home" was replaced in 1990 with "manufactured home" in all provincial legislation and in the name of various associations. Although this has gone some distance towards changing people's perception of the homes, in many areas (and particularly at the local government level), single wide homes, despite their improved quality and affordability, regardless of what they are called, are not considered to be compatible enough in design to be suitable for residential areas.

Since part of the reason for the objection to the single wide is the width to length ratio and the flat, narrow roof design, in order to facilitate some design innovation so that single wides may become a more acceptable alternative to site built homes in residential areas, *it is recommended that:*

The provincial policies concerning the transport of manufactured homes on the highways be revised to allow for more flexibility in order that the roof pitch may be increased and eave and design extensions may be added to the 4.4 metre widths presently permitted.

The small double-wide solution

Even with some increases in width, however, the design constraints of the single wides will continue to set them apart from site built housing and restrict acceptance of their use. The small double section home, combined within a well designed park layout, is less likely to generate community opposition based on incompatibility of design and will help to create a new public image of manufactured homes. The small double wide "bungalow" also matches current market interest in smaller homes in a well planned community settings. Therefore, *it is recommended that:*

Manufacturers focus on developing the technology and economies of scale required to produce small double section homes built to CSA A277 standards at prices which are competitive with single-wide homes as an alternative to the single wide, particularly for traditional residential use.

Information exchanges between the industry and local government

Because manufactured housing has traditionally been used in "Mobile Home Parks" and in rural areas, and has made a limited contribution to the total housing stock, many local government staff are not familiar with the standards of construction of homes today. As a part of an overall increase in communication between the industry and local government , *it is recommended that:*

The Manufactured Housing Association of B.C. actively participate in information sessions with local government staff , preferably at factory sites, to increase officials' awareness of the standards of manufactured housing.

At the same time, the manufacturers should have a system in place which will satisfy local governments that the level of quality control which exists in the factory will be maintained through to site preparation and final set-up of the homes. For example, manufacturers should ensure that, when a new home is being shipped to a municipality in British Columbia, local officials are advised in advance by forwarding a copy of Form 103 (under the Manufactured Home Act) directly to the local government building department.

7.2.4 The Municipal Response

Local government housing policies

Local governments will play a vital and powerful role in facilitating an increase in the availability of manufactured housing as an affordable housing choice. Local governments, through their land use management powers under the Municipal Act, are in a position to strongly influence the future supply of housing in the province. This role has been recognized by the introduction of Bill 20 referred to in Chapter 5.

The amendment to Section 945 of the Municipal Act (Bill 20) will require local governments to address affordable housing, rental housing and special needs housing in their housing policies. In preparing their policies, *it is recommended that:*

Local governments include manufactured housing in their housing policies as a viable housing option which should be available within the community.

Zoning by-laws

In many of the municipalities and districts which were examined in the course of this study, manufactured homes are restricted in use simply because they are constructed in a factory and then transported to the site, rather than for valid reasons of land use management. In many cases, restrictions and development standards which are in place were put there many years ago in response to the poor design and construction standards of the day. In order to facilitate the implementation of new housing policies, and ensure that manufactured housing is in fact available as a choice, *it is further recommended that:*

Official Community Plans and zoning by-laws be reviewed to determine the intent of the references to "mobile" homes and be amended to reflect the current standards of design and construction.

If it is determined that the concern is with the compatibility of the design of the single wide homes in some areas within the community, the by-laws should be revised to specifically address this concern. If it is deemed necessary to define manufactured homes at all, the definition should only be used as a means of identifying the homes for legitimate zoning purposes and should not be based on the method or location of construction.

Updating old by-law standards

It was determined through the study that most local government officials acknowledge that the quality of the homes themselves is comparable to site built housing, and that multi-section homes which take on the appearance of conventional site-built housing are not intended to be restricted only to "Mobile Home Parks". Unfortunately, most by-laws still have that effect, thereby prohibiting the use of manufactured homes from use as an option for infill or subdivision use. Therefore, in order to expand the opportunities for use of manufactured homes, *it is recommended that:*

Municipal zoning by-laws be amended to delete any reference to multi-section homes which are built to CSA A277 Standards (i.e. B.C. Building Code).

By deleting this reference, homes which are built to the same construction standards and which comply with the same design, dimension and set-back requirements that apply to site-built homes will be permitted without discrimination in the same areas as site-built homes.

7.2.5 Developing with First Nations

For many years, manufactured home parks have been developed on Indian Reserve land. The manufacturers have worked with First Nations through various arrangements from providing homes through a local dealer, to comprehensive development and leasehold agreements with Bands and locatees. First Nations, the industry and home buyers all stand to benefit where there is agreement to undertake well planned communities. To date, the frequent lack of a coordinated approach to development on Indian Reserve land has led to problems for residents, local governments and Bands. Therefore, *it is recommended that:*

When new manufactured home developments are planned for land which is within Indian Reserves, the industry work together with First Nations and local governments to jointly address questions of services, taxation, tenure and design to ensure good quality developments for the future.

7.2.6 Provincial Legislation and Regulations

The provincial regulatory environment

There are already up to 69,000 homes in the present manufactured housing stock which provide accommodation for residents either in manufactured home parks or on private land. Over 6% of the housing starts in British Columbia in 1991 were built in a factory. In the near future, the manufactured housing industry has the potential to become a major player in the housing industry in British Columbia.

The Manufactured Home Act

As has been noted in the study, the industry operates within a unique legislative and regulatory environment. As the issues of older parks are addressed and new developments come on stream, the need for a coordinated approach to policy development and regulatory reform at the provincial level becomes apparent. In order to make rational and fair policy decisions, it is necessary to have accurate, reliable and objective information. This will be important for the review of the problems in older parks, for the work being undertaken to address the landlord and tenant issues under the Residential Tenancy Act, and for the ongoing monitoring of the state of the industry. At the same time, information is also needed by the industry to enable quick conveyancing of property and efficient tax searches in order to obtain transportation permits, and to make viable business decisions about future directions. In order to ensure the best information possible is available and coordinated decisions are made at the provincial government level, *it is recommended that:*

The Manufactured Home Registry be automated so that the present and future information about manufactured homes may be accessed by the public and private stakeholders, and

"One-stop shopping"

The administration of provincial government policies, programs and regulations be coordinated within one Ministry.

The coordination role would in effect create a "one stop shopping" approach for consumers and the industry on matters related to manufactured housing.

Because the industry is part of housing in general, it is recommended that the Ministry of Municipal Affairs, Recreation and Housing be the coordinating ministry. It is further recommended that the legislation and regulations which affect manufactured homes, be reviewed to determine ways in which the administration of key functions - the Registry, the residential tenancy matters, the issuing of transport permits, and the licensing of home retailers- can be administered within the one Ministry.

Dealer Licensing

The study points to the need for regulatory reform and legislative changes to reflect the changes which are occurring in the manufactured housing industry. Although it is likely that there will always be a role for the present method of home retailing through the dealership network (particularly to respond to the demand for individual homes for private lots), the present method of regulating the retail dealers is incompatible with the transition of the industry away from the "mobile home" focus. Therefore, *it is recommended that:*

The licensing provisions for manufactured home dealers be reviewed by the provincial government in consultation with the manufactured home industry in order to develop a regulatory approach which is more compatible with the present and future needs of the industry and of home buyers.

Specifically, it is recommended that regulation of the retail sales of homes be examined by a subcommittee of the Manufactured Homes Advisory Committee with a view to creating new licensing arrangements for "manufactured home agents" under the Manufactured Home Act.

Family, adult, and seniors communities

For the purposes of provincial programs such as the home owner grants, persons who have purchased a manufactured home are treated as homeowners. However, homes which are then placed in manufactured home parks where the land is rented are affected by the section of the Human Rights Act which applies to rental accommodation. In order to address this inconsistency and allow home owners in rental manufactured home parks to be treated in the same manner under the Act as other home owners, *it is recommended that:*

A regulation under Section 5 (2) (b) (ii) of the Human Rights Act be prescribed which would allow distinctions to be made on the basis of family status or age in rental premises where there is an interest in land.

Such a provision would mean that, where the rental of the "space" is actually the rental of land on which a home is located it would be exempt from the restriction relating to family status or age. This would allow manufactured home parks to be specifically designed and occupied either exclusively for families, adults or seniors, or to be designed or occupied with some sections occupied by adults only and other sections intended for families with children.

The B.C. Building Code

As indicated in Section 3.4 of the report, homes which are factory built to meet certain standards set by the Canadian Standards Association are exempt from the B.C. Building Code. Two standards are referenced: the Z240 and the A277. The A277 home is a home which is built to B.C. Building Code standards in a CSA-certified factory. The Z240 homes are built in the same environment, but with modifications which are different from the B.C.Building Code standards. The differences are important to the industry in terms of maintaining the flexibility to build homes to the different standard for different markets, but cause confusion for local government officials and the public, particularly since both single and multi-section homes are built to both standards. In order to address this confusion , *it is recommended that:*

The Ministry of Municipal Affairs, Recreation and Housing examine the feasibility of revising the B.C. Building Code to incorporate the standards of the CSA Z240 MH Series-M86 Mobile Homes for manufactured housing.

Site preparation standards

The certification of manufactured homes by the Canadian Standards Association ends at the factory door. Any work which is carried out on the site is not covered by the CSA Certification and is not exempt from the B.C. Building Code. Site preparation work requires a building permit and is subject to local building inspection. In order to provide local officials with guidelines regarding site work for manufactured homes, the Canadian Standards Association has developed site preparation guidelines. Therefore, in order to provide a standard for building officials for the inspection of site preparation work, *it is recommended that:*

The B.C. Building Code be amended to incorporate the C.S.A. standards for site preparation for manufactured homes.

7.3 Future Opportunities

If present population trends continue and the increases which are predicted do, in fact, materialize, there will be opportunities for manufactured housing to grow in response to the growing demand for housing in general.

There are two general areas of growth opportunity available. One is a growth in the size of the existing market niche of retirees and seniors. The attraction of manufactured homes in rental, leasehold, and strata parks for seniors and retirees has been recognized by the British Columbia industry for a number of years. The size of this group is forecast to increase as the population as a whole ages and as in-migration of retirees to British Columbia continues from other provinces in Canada.

The other opportunity for growth of the manufactured housing industry is by increasing the percentage share of the total housing market. In 1991, the manufactured housing industry represented only 6.3% of single family housing starts in British Columbia. The "starter home" market is one of the areas which could benefit from the potential affordability and time savings associated with manufactured homes and manufactured home developments. With increased opportunities for using manufactured housing in residential developments, it should be possible for manufactured housing to increase its share of the total housing market as it has done in other countries. In order for this to happen, however, it will be necessary for all the stakeholders to make changes, including those recommended in this report.

High quality at affordable prices

The principle advantages of using factory built housing result from the potential of the industry to construct to a high standard of quality while achieving considerable savings. These savings can result from economies of scale and from the reduction in the time required to produce and deliver the product to the consumer. In order to take full advantage of the opportunities of the next decade and to compete in the housing industry, it will be particularly necessary for the industry to fully capitalize of the potential for cost savings and to structure the industry so that these savings can be passed on to the consumer. By doing so, the volumes and economies of scale which are so important to a manufacturing process should be achievable.

Other opportunities for manufactured housing relate to the expansion of the industry into the other areas of panelized and component housing. To date, neither the traditional nor manufactured housing industry in British Columbia has expanded to any great extent in this direction. As noted in Chapter 3, however, these methods make up significant portions of the manufactured housing industry in Ontario, the United States and Europe. In Ontario, for example, "pre-cut" manufacturers dominate the manufactured housing market, where one company is ranked as the twenty-first largest manufactured housing supplier in North America. These sectors have grown out of the modular and mobile home industry and out of the traditional site-built housing industry where site builders established factories to specialize in particular components. A specialized log home industry already operates successfully supplying both the B.C. and export market. As well, a few small companies specializing in components have opened hoping to take advantage of both domestic and foreign demands.

Factory built housing does have a role to play in the future of housing in British Columbia. The extent to which this form of home construction and the British Columbia manufactured housing industry will contribute to the future stock of viable and affordable housing will depend on the extent to which all the stakeholders are willing to address the issues and make the changes which will be necessary to expand.

Appendices

Glossary of Terms:

Manufactured Housing -

For the purpose of this study, manufactured housing refers to residential buildings which are built in an enclosed factory environment with limited assembly on site. In British Columbia, the industry primarily includes what used to be referred to as "mobile homes" and "modular homes". They are tridimensional woodframe units which are either completely self-contained dwelling units, or are partial dwelling units which are "stitched" together on site. All new manufactured homes sold or moved in B.C. must be built to either CSA Z240 or CSA A277 standards.

Mobile Home - term commonly used to refer to homes which are completely constructed in a factory on a steel sub-frame to which wheels may be attached for transportation to the site. In B.C. the term has been replaced in provincial legislation and by the industry with the term "manufactured home".

Modular Home - term commonly used to refer to homes which are built in a factory in two or more sections for "stitching together" on site on a foundation. Regulations under the Manufactured Home Act define modular homes as manufactured homes which are built to B.C. Building Code standard and are not designed to be transported on their own wheels or undercarriage. For the purpose of this study, modular homes are included in the term "manufactured home".

Single Wide - manufactured home which is built in a factory in a longitudinal shape and transported to the site either on its own wheels or on a flat bed. The length and wide of single wide homes are designed to comply with transportation requirements. Most single wide homes are completely finished in the factory and require only siting and hook-up prior to occupation. Single wide homes may be built to CSA Z240 or A277 standards.

Double-Wide - manufactured homes which are built in the factory and transported to the site in two sections to be "stitched together" on site. Double-wides may be built to CSA Z240 or A277 standards.

Panelized - a method of building which involves the construction of walls in sections (panels) in a factory which are then shipped to the job site for erection. Panels may be open (plumbing, wiring, insulation and interior sheathing applied on site), or closed (complete units, including interior and exterior sheathing finished in the factory). Some definitions of manufactured housing in other jurisdictions include panelized housing.

Component - the construction of sections or parts of homes in factory settings for assembly on site. Most site built housing includes some factory built components.

Log Homes - a type of pre-cut construction with wall and roof structures shaped from natural logs or sawn solid timbers cut to patterns for interlocking on site. They are assembled on site and subject to local building inspection.

Pre-Cut Packages - all framing components are shaped and identified according to the structural plan and shipped to the job site and assembled using conventional stick-built construction methods.

Appendix II

Manufactured Homes Advisory Committee

Committee membership is made up of representatives of the following organizations and Provincial ministries:

Manufactured Housing Association of British Columbia
101- 2611 Pauline Street,
Abbotsford, B.C. V2S 3S2

United Manufactured Home Owners' Association in British Columbia,
87-15820 Fraser Hwy.,
Surrey, B.C. V3S 2W5

Manufactured Home Park Owners' Association of British Columbia,
P.O. Box 2078,
Surrey, B.C. V3W 9X5

Ministry of Municipal Affairs, Recreation and Housing,
800 Johnson Street,
Victoria, B.C. V8V 1X4

Ministry of Labour and Consumer Services,
1019 Wharf St.,
Victoria, B.C. V8V 1X4

Ministry of Finance and Corporate Relations,
617 Government St.,
Victoria, B.C. V8V 1X4

Please return to: Kennedy Consulting Inc., 103-325 Maitland St., Victoria V9A 7E9

Manufactured Housing Study

Municipal Questionnaire

Name of Municipality ____________________

Address ____________________

Contact Person ____________________ Telephone ____________________

A. Zoning By-law Definitions and General Provisions

1. In your municipal zoning by-law, is there a definition for **Mobile or Manufactured Home ?** Yes No

2. If yes, check which of the following **most closely resembles** your definition:

(a) the definition used in the Manufactured Home Act (formerly the Mobile Home Act) based on the units' **mobility**:
*"Manufactured Home" (formerly "Mobile Home") means any structure, whether ordinarily equipped with wheels or not, **that is designed, constructed or manufactured to be moved from one place to another by being towed or carried,** and to provide (a) a dwelling house or premises; (b) a business office or premises; or (c) accommodation for any other purpose, unless exempted by this Act or regulations.* ______

(b) a definition which is based on the **size or dimension** of the home ______

(c) a definition based on the **method of construction** (i.e. a dwelling which has percentage of its value added at a factory) ______

(d) a definition which is based on the **CSA** (Canadian Standards Association) **Standards** (Z240 or A277) ______

(e) other ____________________

3. Is there any reference to mobile or manufactured homes in the **General Regulations** or General Provisions of your by-law? Yes No

If yes, please describe the purpose of the reference. ____________________

____

B Zone Districts

1. Are manufactured (or mobile) homes, as defined in your by-law, **restricted to specific zones?** Yes No

   If yes, in which zones are they permitted? ____________________

2. Are there any zones where the **minimum width requirements** would have the effect of prohibiting the use of single-wide (14 ft) manufactured homes? Yes No

   If yes, in which zones? ____________________

3. Are **double-wide or multiple module** manufactured homes **prohibited** uses in any zones? Yes No

   If yes, in which zones? ____________________

4. Are there **constraints** in place in the zoning or other bylaw which would have the effect of prohibiting or limiting the use of manufactured homes due to, for example, a minimum roof pitch requirement? Yes No

   If yes, briefly explain the constraint. ____________________

   ____

5. Is there a **Mobile Home Park zone** in the by-law? Yes No

6. Do you have a separate **Mobile Home Park by-law** setting out servicing, road design, etc requirements for Mobile Home Parks? Yes No

7. Is there a Manufactured or **Mobile Home Subdivision zone** in the zoning by-law? Yes No

   If yes, please check off **how the zone requirements differ** from other single dwelling residential zones?

   - permitted uses ________
   - standards ________
   - height requirements ________
   - site area requirements ________
   - lot coverage ________
   - yard requirements ________
   - parking requirements ________
   - other ____________________

(b) What aspects of manufactured home development does the municipality want to control through the use of these different requirements (i.e the appearance, the occupancy, density, layout): ______________________________

____

8. Are standards for bare land strata development different from subdivision development? Yes No

If yes, in what way? ______________________________

C Implementation and Administration

1. Do you have a **procedures manual** available for builders & developers setting out the steps involved in obtaining approvals for residential developments? Yes No

2. If an **enquiry** is made by telephone or at the counter for information concerning the use of **manufactured housing** in your municipality, to whom would the person be referred?

- A planner ________
- A building inspector ________
- Permits and licenses department ________
- Clerks department ________
- Administration ________
- Other ______________

3. Have you had any requests for **new mobile home parks, bare land strata developments or subdivisions** using manufactured housing over the past 5 years? Yes No

4. Have these requests involved a **rezoning** application? Yes No

5. What 2 factors were most pertinent in the consideration of the rezoning?
servicing__ design___DCC's__ parking___traffic__ affordability__other ________

6. Given the same property and the same density, what would be the average Development Cost Charge per lot for :

(a) Mobile Home Park $________
(b) Bare Land Strata residential development $________
(c) Residential subdivision $________

7. Was there **public opposition** to the development from neighbours and/or at public meetings? Yes No

8. What was the basis for the public opposition? ______________________________

____

9. Was there **public support** for the use of manufactured housing? Yes No

10. If yes, what was the basis for that support? ______________________________

____

D. Municipal Policy

1. Does the municipality have a specific **Housing Policy**? Yes No

2. Is the use of **manufactured housing an issue** in your municipality? Yes No

Why? ____

3. What is the general attitude of **Council members** towards manufactured housing? ____

4. Do you consider manufactured housing to be a **more affordable** form of home ownership than conventional site-built housing in your municipality? Yes No

   If yes, what do you feel makes it more affordable? ______________________________

____

5. Please use the back of the form or additional pages to offer any **suggestions** as to how the **industry, the municipality or the provincial government** could increase the use of manufactured housing in British Columbia as part of the affordable housing stock.

6. If convenient, please **send copies** of any relevant documents or parts of documents which you feel may help to illustrate or explain your municipality's policies on manufactured housing in the official community plan, zoning by-law, policy documents or administrative guidelines.

Thank you for taking the time to assist in the study.

Appendix IV

Manufactured Home Dealers Questionnaire

A Dealership Profile

These 2 sections are designed to help us to understand how manufactured home dealerships are organized in British Columbia. If you do not have the exact information readily at hand, please provide your best estimate.

1. How long have you been a manufactured or mobile home dealer? ____________ yrs

2. How long have you been in your present location? __________ yrs

3. With which **manufacturer**(s) do you have agreements to sell their product?

____

4. What is the **size** of your dealership lot? ________________ acres/hectares

5. How many **show homes** can you accommodate on your lot? ____________

6. How do you **attract customers**? (Check off the methods you use)
   i. Location identification signage only
   ii. Site signs for promotional specials or sales
   iii. Newpaper ads: Motor vehicle section
   Real Estate section
   iv. Local radio ads
   v Local televison ads
   vi Other ______________________________

7. Do you have your own **transport vehicles** for collection and delivery of homes? Yes No

8. Do you provide site preparation work for new homes on **private lots?** Yes No

9. Does your company provide set-up, hook-up, skirting, and landscaping on **park sites** for new homes? Yes No

10. If not, who usually provides the services referred to in questions 8 and 9?

____

11. Do you have your own **after-sales service** department ? Yes No

12. If not, who usually does after sales service of homes? ____________________

Please indicate on the chart below:

(a) How many **new** homes you sold in each of the following years
(b) How many of these new homes were delivered to sites more than 160 km **(100 miles) away**
(c) Of those homes delivered to sites **greater** than 160 km **away**, what percentage of the sites would have been within **160 km of another dealer**

Please use your figures for the 12-month period ending in each of the following years

NEW HOMES	1987	1988	1989	1990	1991
(a) No. of New Homes					
(b) No. Delivered **more than 160km**					
(c) % within 160km of **other dealers**					

B Manufactured Home Parks

1. Do you **own** your own manufactured home park(s)? Yes No Number of Parks ——

2. **How many pads** in total are in your park(s)? ____________

3. What percentage of the new homes **sold** since 1987 were located in **your parks** ?______%

4. Do you or your employees **manage the parks** or do you contract with a property manager?
Self managed ______ Independent Propery Management ______

5. Are any of your parks located on **Indian Reserve Land**? Yes No

6. Have you developed any **new parks since 1986**? Yes No

7. Were any of these parks located on Indian Reserve land? Yes No
If yes, how many? ______

8. Of the land not on Indian Reserves, did you have to **rezone** the land prior to development of the new park(s)? Yes No

9/ If yes, **how long did the process take** from the time of initial application to recieving approval? ____________

10. What was the **major hurdle** you had to overcome in obtaining municipal approval?

____

11. Have you directly or jointly **developed** any **strata or subdivision** developments? Yes No

12. Do you consider this type of development to be **financially feasible** in your area?Yes No
If no, why not? ____

____

13. How many of your new sales since 1987 were to individuals for location on **private lots**?
____

B Cost of Manufactured Homes to the Consumer:

The following questions are designed to determine the **cost of buying a home** from the point of view of the consumer. Therefore, cost figures should include the **total walk-in price of a manufactured home on a rental site in a park**. The range in price is intended to reflect the range of base prices and options available.

1 Please indicate on the following table, the Price Range and Average Price of homes sold in 1990 and 1991:

	1990		1991	
	Price Range	Average Price	Price Range	Average Price
New singles				
New doubles				*
Used singles				
Used doubles				

2. Once the home is on site in the park, what would be the average **total monthly rent** for a single $ __________ double $ ____________ ?

3. What would be the average price of the new double-wide home* to a customer who wants **to locate it on a private lot** he already owns? $____________

4. What is the **size** of the average double-wide home*? ______________ sq ft.

5 In your area, what would have been the **retail cost to the customer in 1991** of buying a similarly sized, **site-built detached house** with appliances and finishings similar to a manufactured home, **including the lot?** (*compare to the new double-wide home which would sell for the average price quoted above). Site Built: $ ______________

6. For comparison, please estimate the **price of the land** for the site-built house in question 5, since this would not apply to a rental park, and would be the same for a manufactured home or a site built home if the lot were privately owned:

Of the site-built price, how much would be for the **cost of the lot?** $ ______________

D Customer Profile

1. How would you describe your customers in 1987 and in 1991 in percentage terms?

	% of total in 1987	Percentage of total in 1991
Young singles		
Young couples		
Families with children		
Empty nesters		
Senior couples (one over 55)		
Senior singles		

2. What percentage of your customers in 1991 paid cash for the full price of their homes? ____

3.For those requiring financing, do you think that the recent reduction of the down payment to 5% was a factor in their decision to buy now? Yes No

4. Rank the following features which you feel attract buyers to manufactured homes. 10 is the most important feature to the buyer, 1 is the least important.

___ Price
___ Quality of construction
___ Internal layout and appearance
___ External appearance
___ Maintenance of home
___ Maintenance of grounds
___ Security of park
___ Have owned a manufactured home before
___ Location of the park
___ Time from purchase agreement to occupancy (vs having a house built)

E General Comments

Please use the back of this form to suggest **changes** either **within the industry** or within the **municipal** or **provincial government** to improve sales of manufactured homes, or any further comments which may assist the survey.

Name of Dealership: ____________________

Address: ____________________

Telephone: ____________________

Contact Person: ____________________

Manufacturers of CSA Certified Factory Built Homes Available in B.C.

Members of the Manufactured Housing Association of British Columbia:

Glen River Industries Inc.
P.O. Box 810,
Centralia, Washington 98531
Tel: 736-1341
Fax 736-1501

*** Moduline Industries (Canada) Ltd.,**
P.O. Box 190, 1175 Railway Street,
Penticton, B.C. V2A 6K3
Tel. 493-0122
Fax: 493-0500

Noble Acceptance Ltd.
P.O. Box 359, Winterburn, Alberta TOE 2N0
Tel. 447-2333
Fax 447-2291

*** Nor-Tec Design Group Ltd.,**
933 Sumas Way, R.R. #2
Abbotsford, B.C. V2S 4N2
Tel. 859-2299
Fax 859-3002

Shelter Regent Industries,
P.O. Box 845,
Estevan, Saskatchewan S4A 2A7
Tel. 634-7255
Fax 634-7597

Triple E Homes Ltd,
P.O. Box 725,
Lethbridge, Alberta T1J 3Z6
Tel. 320-8588
Fax 320-6925

*** Winfield Industries,**
P.O. Box 730, 9500 Jim Bailey Road,
Winfield, B.C. V0H 2C0
Tel 766-0588
Fax 766-0599

Others:

*** Britco Structures Ltd.,**
9267 - 194th Street,
Surrey, B.C. V3T 4W2
Tel 888-2000
Fax 888-2089

*** Chaparral Industries Inc.**
3075 Sexsmith Rd.,
Kelowna, B.C. V1V 1L4
Tel 765-2985
Fax 765-7177

*** Chilliwack Manufactured Homes Ltd.,**
Box 229,
Sardis, B.C. V2R 1A5
Tel 795-7221

*** Camac Manufacturing Ltd.,**
Vedder Crossing, B.C.
Tel. 824-0202

*** British Columbia Companies**

Appendix VI

Responses to Municipal Questionnaire

Responses received from or interviewed:

Villages -
Fraser Lake
Gold River
Pemberton

Towns -
Creston
Smithers

Regional Districts -
Capital Regional District
Cariboo
Central Kootenay
Central Okanagan
Comox-Strathcona
Dewdney-Alouette
East Kootenay
Fraser-Cheam
Fraser-Fort George
North Okanagan
Thompson-Nicola

Cities -
Courtenay
Cranbrook
Dawson Creek
Kamloops
Nanaimo
Parksville
Penticton
Prince George
Williams Lake

Districts -
Campbell River
Central Saanich
Chilliwack
Coquitlam
Langley
Mackenzie
Matsqui
Mission
Saanich
Salmon Arm
Sparwood
Squamish
Summerland
Surrey
Tumbler Ridge
Whistler

No Response from:

Anmore
Quallicum Beach
Sidney
Castlegar
Grand Forks
Kelowna
Abbotsford
Hudson's Hope
North Cowichan

41 Responses
May 28, 1992

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